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WESTERN SAMOA

SECOND FIVE YEAR DEVELOPMENT PLAN

1971-1975

DEPARTMENT OF ECONOMIC DEVELOPMENT
APIA, WESTERN SAMOA, NOVEMBER 1970

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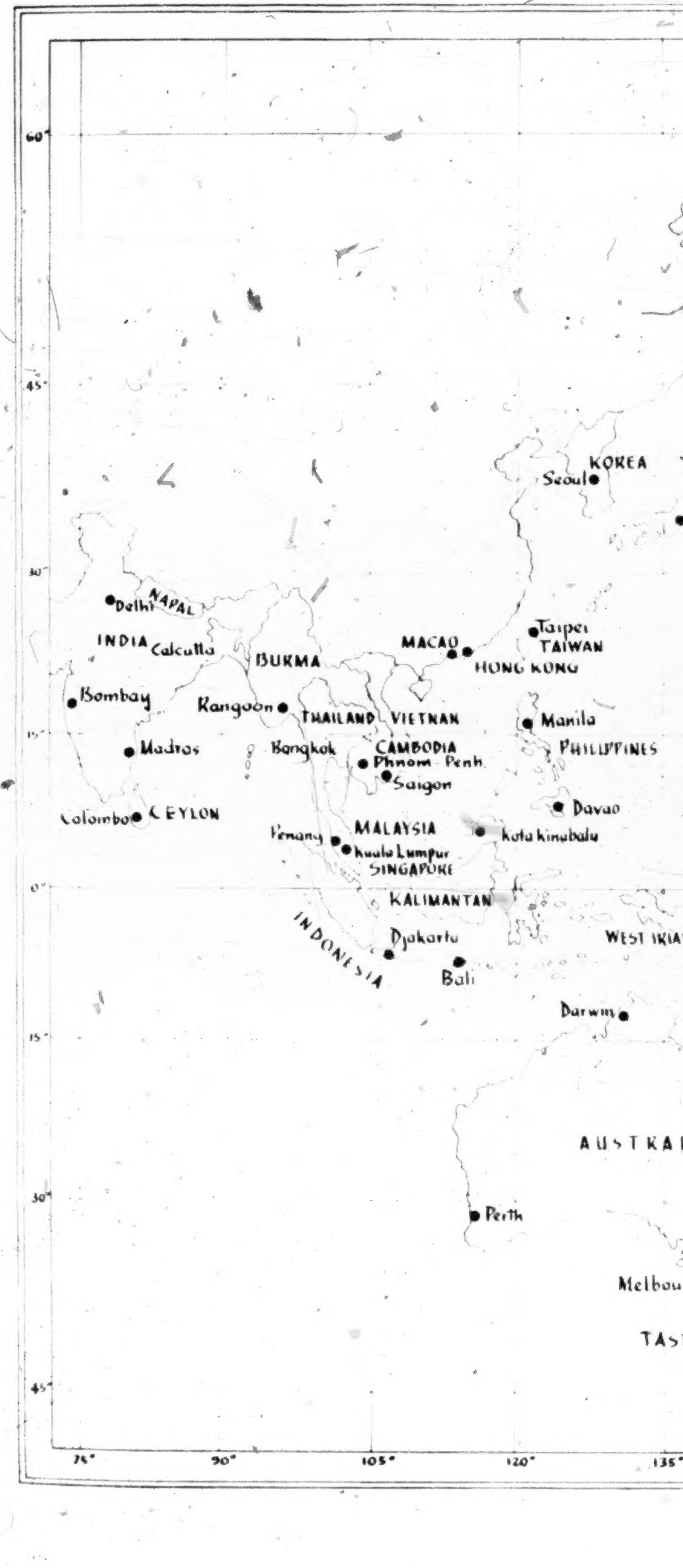
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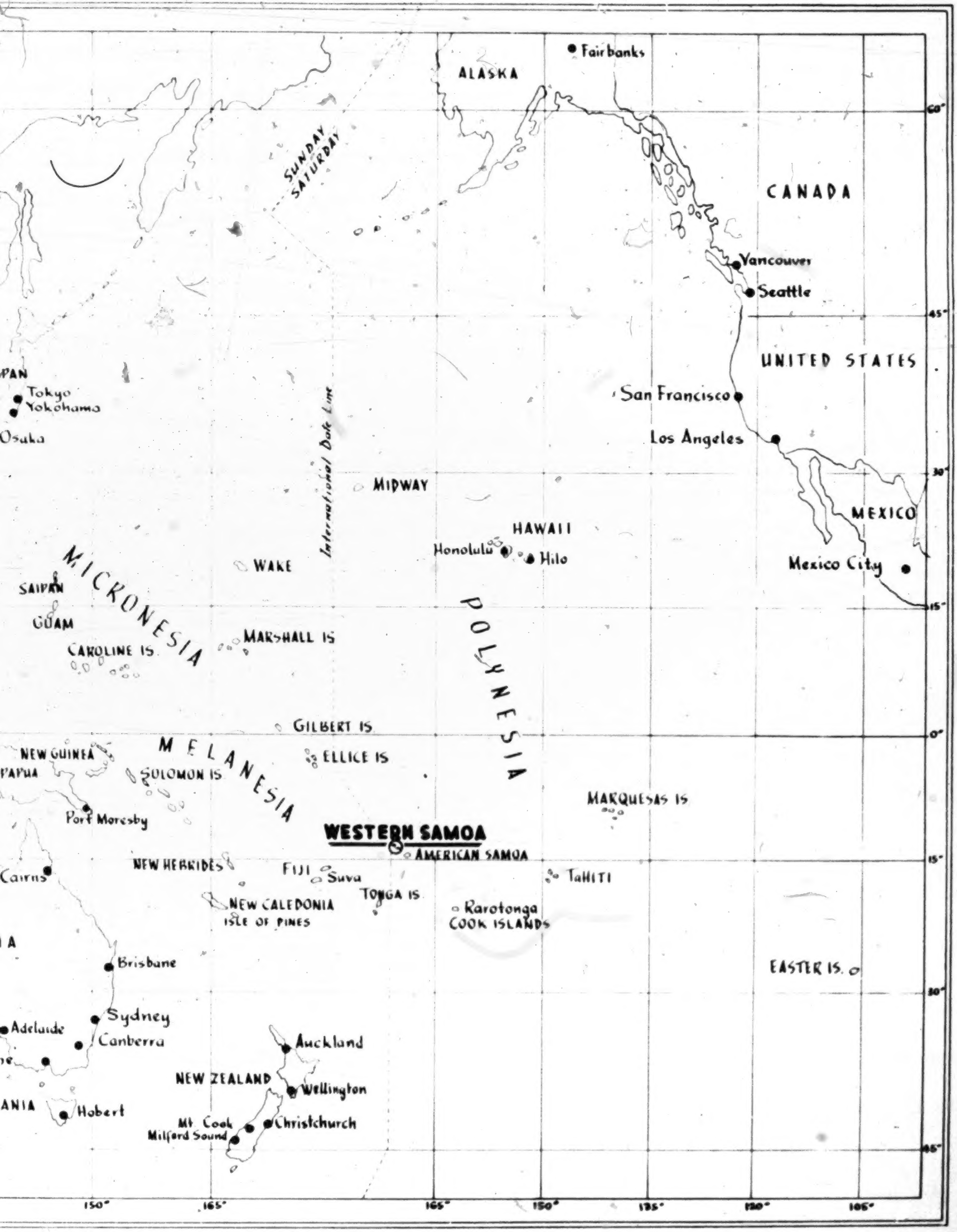
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FOREWORD

The launching of Western Samoa's Second Development Plan marks the beginning of another chapter in the struggle of this country to give to the Samoan people a higher standard and better enjoyment of life, and as a result, offer to each citizen the opportunity to live in dignity and to contribute his maximum talents to the advancement of a strong and free Christian nation.

Since Independence in January 1962 a number of steps have been taken to strengthen the economic foundations of this nation. Development has been adopted as the fundamental objective of government policy. All Samoa should appreciate the work which has been done and the progress which has been achieved. The relative success thus far is also an indication of the potentials for further development of our country.

Now, looking forward into the future, we need to consolidate our success, learn from our mistakes and rededicate ourselves to even greater efforts. We certainly cannot afford to be complacent. This country has one of the fastest growing populations in the world and an increasing number of our young people are reaching the age when they want opportunities for employment. Our attainments in the first years of Independence constitute only the first step on our path to progress. Much more remains to be done and this Development Plan is our blueprint of what must be done by the government and the people during the next five years.

The success of this Plan lies with every man, woman and child in Western Samoa. Our country's progress depends on the united efforts of us all.

Tupua Tamasese Lealofi IV
Prime Minister.

INTRODUCTION

On December 31, 1970, the first Five Year Economic Development Programme comes to a close. While it is recognised, as in the case of many developing countries, the Five Year Development Programme could not operate as a balanced Plan in achieving set targets through well formulated projects/programmes, there have been substantial gains in investment and output in many sectors. Above all, a stable foundation has been laid for an institutional and policy framework for further progress towards systematic and sustained economic and social development planning in the years ahead.

On January 1, 1971, the Second Five Year Plan of Western Samoa is launched. The Second Five Year Plan embodies a Five Year comprehensive development plan for the whole economy — public and private, and an Annual Plan for 1971. While the basic objective adopted in 1966 of building up a democratically organised welfare state, by raising the living standards of all sections of the community, would continue to inspire us for years to come, the Second Five Year Plan strikes new ground in many directions — technique of planning, policy, institutions and procedures.

We are all aware of the many constraints on growth and development inherent in the economy of Western Samoa. One should not, however, fail to exploit fully, in planning economic and social development, the factors in which this country has a definite comparative advantage over many developing countries. These are: abundant land resources, ample manpower which is amenable to a high degree of discipline and ready to pick up necessary skills, a government which is not obsessed by any set ideological approach to development, and, above all, political stability facing no immediate problems of hunger, destitution, and law and order.

In view of the large subsistance sector of the economy and the non-availability of relevant data in respect to the behaviour and operation of the monetised sector, it has not been possible to make a quantitative formulation in macro-economic terms, of growth, consumption, saving and investment. However, on the basis of analyses made — to some extent quantitative but very largely qualitative — attainment of a faster rate of growth and a structural change of the economy becomes an urgent primary objective in economic and social planning. Its significance is underlined by the very high rate of growth of population and the somewhat stagnant nature of Village Agriculture.

A major effort in the Second Five Year Plan is to organise Village Development Plans in a manner that the Matai, Aiga and the rural population are motivated to diversify and increase productivity in village agriculture. To the extent we succeed by joint efforts to implement the challenging targets laid in the Plan for Livestock, Fisheries, Forestry, Horticulture and Small Crops, we not only increase output but also generate gainful employment and income opportunities among sections of the community who have so far failed to participate fully in the growth process.

A diversified and efficient agrarian sector would stimulate many possibilities in the Manufacturing field. In the Second Five Year Plan an attempt has been made to "indicate" the areas in which the organised private sector, particularly Samoans, could expand activities in Industry, Transport and Construction. In the package of policies — economic, fiscal, monetary and the institutional framework for banking and credit -- the objective of the Plan is to provide incentives and scope for mobilisation of domestic resources and to identify and promote investment opportunities in the priority sectors. In the course of successive annual plans and budgets, the Economic Development Department and the Treasury in cooperation with other departments and agencies concerned must try to organise more meaningful and mutually beneficial rapport between the public and private sectors.

In order that the implementation of the Plan is not impeded by "bottlenecks" and shortage of technical manpower in strategic sectors, the necessary infrastructural development has been provided for in both economic and social sectors. An attempt has been made to ensure the capacity of the crucial departments to handle the levels of activity in the succeeding years of the Plan. The phasing of the Plan as now indicated, however, will be reviewed in each Annual Plan which will be based on a systematic review of progress achieved and in the light of the emerging situation. While the Plan will have a measure of built-in flexibility, it carries for all concerned a high degree of commitment.

Before concluding my introductory remarks I should like to refer to the need for organisation of economic planning in Western Samoa with a long term perspective and against the background of needs and potential of the South Pacific region. As countries in the region move towards political independence, there would be increasing scope for specialization in development — economic and social, both at the regional and subregional levels. I am confident that in achieving these tasks, the Machinery of Planning in Western Samoa would be adequately geared and receive the necessary support and cooperation from all quarters.

Tofa Siaosi

Minister of Finance and Economic Development.

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Unless otherwise indicated, all figures are stated in Western Samoa $ (Tala).
Conversion: 1 WS$ (Tala) is US$ 1.43 or £0.61 = £0.12.2.
Tons used are Long Tons (2240 lbs) or 20 cwt.

PART I

PART I

I. ASSESSMENT OF THE FIRST FIVE YEAR ECONOMIC DEVELOPMENT PROGRAMME (1966-70)

1. The First Five Year Economic Development Programme 1966-70 laid a basic foundation for an institutional and policy framework for progress towards systematic and sustained economic and social planning for the future. The Programme established a foundation for reversing the economy from steady decline to sustained economic growth.

2. However, as in many developing countries, the first Five Year Economic Development Programme did not operate as a comprehensive and complete Plan achieving set targets through formulated projects and programmes, notably stemming out of the balance among sectors, quantification in financial and physical terms of the commitments under the Plan and its sectors, arrangement for project indentification, assumptions regarding availability of financial resources, and institutional factors.

3. The 1966 Hurricane affected seriously foreign trade and impeded implementation of several projects. Exports fell from 5.0 and 4.2 million $ in 1964-65 to 3.3, 3.2, 3.8 and 4.6 million $ 1966-69 mainly due to damage to the banana industry, which has not yet reached its pre-hurricane level. Imports followed the export trend. There was a trade deficit prevailing each year which was not completely offset by the surplus on the balance of invisibles. The balance of payments as a whole however showed a healthy position.

4. The most striking achievement in the agricultural sector has been progress to rehabilitate the copra industry, with a total replanting and new planting of 36,000 acres, beetle control, provision of fertilizer, planting material and research. This scheme was complemented by a project sponsored jointly by the United Nations and the South Pacific Commission to control the Rhinoceros Beetle.

5. The small crop development project has also met with considerable success in diversification with particular emphasis on non-traditional crops like tomatoes, pineapples, lettuces, cabbages, beans etc., for which a growing market exists. Proof of the success achieved so far is given by the growing variety and quantity of foodstuffs flowing into the new central market in Apia, the boost given to exports and the establishment of several canneries.

6. Other elements of agricultural development include government research and extension service, continuing efforts to solve the problems of the cocoa and banana industries, as well as pig, poultry and beef-cattle development.

7. Some dent was made on industrial development by establishment and expansion of 14 industries under the Enterprises Incentives Act 1965 ranging from factories producing soft drinks (1 firm), biscuits (1), canned fruit (3), hotel facilities (2), timber (2), ice cream (1), garments (2), domestic air service (1) and engineering and tractor plant (1). Several of these projects are expected to develop into major industries, one of these being the American subsidiary Potlatch Forests Inc., representing an investment of $3 million which commenced operations in 1970.

8. Benefits accruing to the agricultural sector from an expanding industrial market are envisaged. Development in this field is supported by the establishment of a food-processing laboratory, a Trade Office in New Zealand and the Development Branch of the Bank of Western Samoa.

9. Tourism increased from 7,940 visitors in 1965 to 14,584 in 1969, giving stimulu to other areas of the economy.

10. Other achievements in the field of infrastructure include completion of Api Siumu cross island road, Vaiola-Patamea Inland Road, completion of Apia a Asau wharves, access roads, water supply pipe line for 77 villages or 24,000 peopl electric power scheme, bridges (Solosolo and Puleia), and communication faciliti

11. Some progress was made in improvement of rural health and education faciliti although there was no major reorientation of policy.

12 Due to time-lag, the main economic impact of the first Five Year Econom Development Programme would be felt in the 1970s.

II. OBJECTIVES, FACTORS OF GROWTH, AND DEVELOPMENT PRIORITIES.

2–1 Objectives

13. Based upon the limited available data regarding the analysis of the growth and decline of the national economy — subsistence and monetized — during the last decade and a half, the increase and emigration of population, and the structural change in production and employment, the strategy of economic and social planning during the second and successive Five Year Plans will aim at achieving the following objectives;

i) A much faster increase in economic growth through higher productivity and diversification of the Agricultural Sector,

ii) A more rapid and perceptible change in the structure of the economy through quickening the pace of development of the Secondary Sector,

iii) Mobilisation to the maximum extent possible of all available capital resources through appropriate monetary and fiscal policies for financing balanced economic and social development programmes in the public and private sectors of the economy,

iv) Creation of adequate opportunities for gainful employment of new entrants to the labour force; so that, on the minimum basis, the existing employment rate is maintained.

14. In a democratically organized welfare state like Western Samoa, the achievement of the objectives of planned ecoomic and social development must ultimately result in a rise in the standard of living of the people and their increased capability to undertake investments for production and welfare, measured in terms of per capita income, consumption and saving. In view of a large subsistence sector of the economy and non availability of relevant data in respect of the behaviour and operation of the monetized sector, it has not been possible to make a quantitative formulation in macro-economic terms of growth in income, consumption, saving and investment.

2-2 Factors of growth

15. A list of nine factors x) impeding the economic growth and development of Western Samoa was indicated in the first Economic Development Programme. In the Second Five Year Development Plan a new look has been taken at these factors how far they still impede progress and whether some of these have already been modified by proper planning, appropriate approach and policy instruments, and above all by the will and determination on the part of the Government and the people.

16. What is more important is to exploit fully the factors which place Western Samoa at a position of **comparative advantage** among the developing countries in this part of the world. There are two outstanding factors of advantage which have enabled a number of developing countries to attain in recent years very high rates of growth and structural change, in their somewhat small economies, despite the absence of any remarkable endowments in natural resources. These factors which are also prevalent in Western Samoa are —

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x) 1) Geographic Isolation. 2) Inefficient agriculture. 3) Land Control. 4) Lack of Capital. 5) Lack of Labour and Entrepreneurial Skills. 6) Over-emphasis on Government Maintenance Expenditure. 7) Lack of Diversification. 8) Limited internal markets. 9) Rapid increasing population.

i) ample manpower which is amenable to a high degree of discipline demanded in organized industrial production and its readiness to pick up the necessary skill through training; and

ii) the political stability facing no immediate problems or hunger, destitution, law and order, and a government not obsessed by any set ideological approach t development.

17. There is no doubt that these factors of comparative advantage are worth consideration by the entrepreneur and venture capital from any part of the world seeking areas of "safe" investment under conditions of uninterrupted industrial peac and non-discriminatory treatment by the government.

18. As regards factors impeding growth indicated in the first Five Year Economic Development Programme many of these, such as **inefficiency of agriculture an lack of entrepreneurial ability,** are removable by appropriate planning and polic action. As a matter of fact some dent has already been made on some of these factor and the situation will improve as we go along. For instance, isolation within Western Samoa will be greatly mitigated by the domestic air service and the introduction of the Vehicular Ferry, Wharf and Harbour Facilities.

19. As regards **lack of capital,** it has already been observed that the real problen of Western Samoa is to organize the capital market through a proper monetary/fisca policy and the institutional facility for project identification and project formulatio in priority sectors in which domestic available surplus can be profitably investe and foreign capital attracted. In the section on Financing of Development, the details of the policy measures, etc., have been indicated.

20. As regards the **limited market** it is contemplated that during the Secon Development Plan the Government of Western Samoa will, in cooperation with th South Pacific Commission, take steps to investigate the possibility of enlarging th scale of production for import substitution and export promotion in a number c commodities through **regional cooperation and specialisation** among, say, Wester Samoa, American Samoa, Fiji, Tonga, Tahiti and New Caledonia. This woul provide a market of about one million inhabitants who are within feasible limits c transportation of goods.

21. As regards the **high maintenance cost in government expenditures** it has bee found on scrutiny that due to inexact budget classification of both maintenance an capital expenditure a substantial volume of resources was being diverted from Pla outlays, current and investment. In the Second Five Year Plan corrective actio is being taken. The details are indicated in the Chapter III. The Plan in Outlin

22. As regards **land tenure** some 80.5 per cent of all land in Western Samoa customary land in which ownership is vested in the family group (aiga) under i chief (matai) and no individual owns any specific part of the land. Not only is ther no secure control and tenure by the untitled (taule'ale'a) who works the land, ther is also a limit placed on the control of land by the chief (matai). The control c land does not necessarily pass from the chief to his male heir. Upon death of th

chief, a new chief is selected by the family. Recent changes in law allow the legal leasing of customary land to chiefs, but not to untitled persons. Land can be leased for 20 years with 20 years' renewal (land can be tied up 40 years when lease is originally made) for agricultural purposes and for 30 years with a 30-year renewal for hotel and industrial purposes.

23. About 11.3 per cent of the land in Western Samoa is owned by the Government and 4.5 per cent (some 31,800 acres) by Western Samoa Trust Estates Corporation (WSTEC). Government land can be leased in multiples of 20 years. Only 3.7 per cent of the land in Western Samoa is privately owned (freehold and mission owned land). Commenting on this system of land control, the Western Samoa Economic Development Programme 1966-70 observes:

> *"Purely from an economic point of view without considering the importance of social custom, such control of land inhibits the efficient use of that land."*[x]

The 1966 Population Census quotes the following extract from 1961 Census:

> *"This insecurity of tenure which affects individual members of the family, including the 'matai' himself whom the family had selected and could dispose, has been regarded in some quarters of the country as one of the chief reasons for the lesser development and lower productivity of aiga enterprises as compared with those included in the subdivision Other Agriculture."*

24. It is contemplated that diversification and development of a land use pattern agriculture, forestry, industry, housing etc., — and utilization of underemployed labour power in village agriculture, which are some of the basic objectives of the Second Five Year Development Plan, would require a definite approach in re-orienting the economic role of the aiga and matai. It is envisaged that "the Samoan way of combining established cultural values with economic progress if used with wisdom and flexibility can be a great asset for the future development of the country."[xxx]

Reference is made to this approach in the section on Village Development Plans in Chapter III.

25. As regards **population growth,** Western Samoa has one of the fastest growing populations in the world. The average annual rate of increase (i.e. the excess of births over deaths) without deduction for emigration, was as high as 3.8 per cent for the five-year period 1961-1966. This is higher than the corresponding growth rates in the 10-year period 1945-1956. A net out-migration of more than 6,000 persons during 1965-69 brought the population growth down to 2.8 per cent per year. If this growth rate continues, the population will double in 25 years reaching more than 260,000 inhabitants by 1991 and about 350,000 by the end of the century. The population growth endangers the future stability and progress of the country.

26. If the population continues to increase as rapidly as in the past, soon the stage will be reached when the country cannot provide food and other necessities for its inhabitants due to lack of land for agriculture and other natural resources. Hence the rapid population growth has a number of effects which are detrimental to economic development, as well as to the welfare of the people.

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x) Page 27

xx) Page 44

xxx) A. Lauterbach and V. D. Stace: "Economic Survey of Proposed measures for Western Samoa." April 1963, Page 4.

27. As a result of the rapid growth, a large proportion of the population will be children. In 1966 more than 51 per cent of the population was less than 15 years old, which means that less than one half of the population has to support the unproductive larger part.

28. The total amount of available goods has to be shared by an increased number of consumers; per capita income is adversely affected. Furthermore, an increase in consumption outlays will diminish the savings available for capital formation (construction of roads and houses, transport, secondary industries).

29. The nation's expenditures on education and health are particularly pushed upwards by the rapid population increase. If the rate of increase could be levelled off, important amounts of funds can be used for improvement in general living standards.

30. In the absence of a positive population policy, the present growth trend in population increase, it is apprehended, will result in a "population explosion" which may have unwholesome effects in many directions.

2-3 Priorities

31. Having regard to the objectives of the Second Five Year Development Plan defined in Section 2-1, the allocation of resources among the sectors and projects/programmes has been made on a pragmatic basis, keeping several factors in view:

(i) to promote optimum utilisation of the major resources of the economy, e.g. land, which includes crops, horticulture, small crops, forests, fisheries and animal husbandry, and the processing of the output of these sectors and other available raw materials;

(ii) to increase production, and thereby income and employment, for raising the standard of living of the people and for import substitution and export promotion;

(iii) taking due care to avoid emergence of unutilized capacity to provide adequately for the development of economic and social overheads so that economic growth is not impeded by "bottlenecks" due to lack of facilities for transport, communication, electricity, trained manpower, and of foreign exchange;

(iv) to maintain a degree of balance in development between the regions (Upolu and Savai'i) and the urban and rural areas of the country; and

(v) to select major projects on the basis of cost-benefit analysis, pragmatically giving preference to those depending on labour intensive but not obsolete techniques and to others based on modern capital intensive methods which are substantially financed by International Financial and other Institutions, bilateral agreements and direct private investment.

III. PLAN IN OUTLINE

3-1 Introduction.

32. The economic history of Western Samoa in the twentieth century has been influenced by the fact that the country was a German colony from 1900 to 1914 and under New Zealand administration from 1914 to Independence in 1962. In the beginning of the century a foundation was laid for the economic life of the country with monetisation of the economy through investments in infrastructure and construction, and commercialisation of the agricultural sector.

33. As regards the present state of the economy, it has not been possible to present a quantitative formulation of macro-economic variables such as national income, consumption, savings and investment due to the large subsistence sector and the non-availbility of data for the monetised sector as well. However, analytical work done by two inidividual research workers*) and further investigations carried out by the Department of Economic Development in consultation with the Bureau of Statistics bring out the following facts:

i) During the last quarter of a century (1947-1970) national and per capita income in real terms — taking into account the growth of population, rise in price and deterioration of terms of trade — has been declining continuously except for a brief spell of stabilisation in the early sixties (1959-1965).

ii) The growth in income and employment has taken place almost fully in the primary and tertiary sectors — mainly commerce and government although some expansion has occurred in the secondary sector — manufacturing — in the last few years.

34. Recent analysis indicates a present per capita income ranging from $165 (US $230) to $175 (US$250) in current prices, derived roughly equally from the monetised and the subsistence sector. In constant prices (1951 prices) per capita income declined from $145 in 1958 to $110 in 1968.

35. In view of the declining per capita income, the primary objective of the Second Five Year Plan is to increase the national income as fast as possible through diversification of the economy, particularly in the rural sector, and increasing productivity in Agriculture. In the allocation of resources among the projects/programmes this objective and priorities have been kept in view.

36. An attempt has been made to formulate and present a comprehensive social and economic Five Year Plan for Western Samoa. It is based on assessment of public and private sector development prospects in the monetised part of the economy and on development planning (to be undertaken in 1971) in the Village Sector which is largely based upon subsistence.

37. In the Public Sector, the Plan states resources and investments for the projects, programmes and the policies to be implemented by the Government. As regards the Private Sector, the Plan is indicative of the priorities desired in development and to some extent, the magnitudes of investment.

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*) Dr. I. Fairbairn: "The National Income of Western Samoa 1947-1958" 1963.
Dr. B.A. Lockwood: "A comparative Study of Market Participation and Monetisation in four subsistence-based villages in Western Samoa" 1968.

3-2 Public Sector

3-2-1 Financial Resources and Outlays

38. Financial resources and outlays for the Public Sector are presented in Table II.

39. Total financial resources for 1971-1975 amount to $48.7 million, of which $37 million will come from import and export duty, income tax, indirect taxes, sale of government service etc (current account), $0.8 million from additional taxation and insurance funds, and some $10.9 million from domestic and external loans, grants, foreign aid, etc., (capital account). Further details regarding financing are given in Chapter IV.

40. As regards expenditures, appropriate concepts and classification between maintenance expenditures and Plan expenditures are introduced. According to this approach maintenance include only expenditures which are necessary to maintain the level of government activity prevailing at the end of 1970. This implies a departure from past practice, where some capital expenditures were included in the maintenance expenditures. All other expenditures, apart from Statutory expenditure are included as Plan expenditures. In the Second and succeeding Five Year Plans there will be no scope for non-planned expenditures. Economic and functional classification of the Government Budget should be introduced in 1971 for analytical purposes and in order to adopt international standardised classification. This should be an integral part of any improvement in budgetary administration.

41. Total Expenditures 1971-1975 are estimated at $48.4 million compared with a total of $28.6 million 1966-1970. This represents an increase of 69.2% in overall government expenditures.

42. Statutory expenditures show an increase from $335,000 in 1970 to $559,000 in 1975, mainly due to increase in debt service.

43. Maintenance Expenditures are estimated to increase from $5.3 million in 1970, $5.8 million in 1971 to $6.2 million in 1975. This represents an average annual growth of 3% from 1970. Total maintenance expenditures for 1971-1975 are $30 million compared with $23 million for 1966-1970. Having regard to the concept of maintenance expenditures indicated above, it is conceded that the maintenance expenditures are on the high side and the growth rate could be smaller.

44. Plan expenditure amounts to $15.8 million, allocated as shown in the following table:

Table I: Plan Expenditures 1971-1975

	(000 $)	
1. Agriculture	3271	20.7%
2. Infrastructure (roads, buildings, water supply, posta services and radio, harbours, power etc.)	8868	56.0%
3. Social Services (education and health)	1881	11.9%
4. Miscellaneous Development (development bank, housing, visitor industry, export promotion, broadcasting.)	1654	10.5%
5. Other (general administration, law and order, fiscal administration).	148	0.9%
Total Plan Expenditure	15822	100%

Second Five Year Development Plan 1971-1975

Table II: Total Government Financial Resources and Expenditures (Statutory-, Maintenance-, and Plan Expenditures) x)

([illegible])

1. Government Finance Resources	1966-1970	1969	1970	1971	1972	1973	1974	1975	1971-1975
i) Current Account (Duty, Income Tax, Indirect Taxes, sale of government services etc.)	27257	6154	6392	6600	6800	7300	7800	8500	37000
Add: Additional Taxation and insurance funds	-	-	-	-	100	200	200	300	800
ii) Capital Account (Domestic and external loans, grants, external supplier credit, foreign aid etc.) xx)	2707	949	1079	3445	2456	2276	1614	1071	10862
iii) Total Financial Resources (i) + (ii)	29964	7103	7471	10045	9356	9776	9614	9871	48662
2. Government Expenditures									
iv) Statutory Expenditures	1662	325	366	459	513	528	537	559	2596
v) Maintenance Expenditures	23379	4754	5343	5881	5819	6000	6100	6200	30000
vi) Plan Expenditures - Total xxxx)	3639	1091	1920	3448	3618	3571	2719	2466	15822
a) Production Services: Agriculture-Total	1063	280	343	779	534	749	595	614	3271
b) Infrastructure - Total	2309	735	1434	2058	2349	1349	1359	1153	8868
Roads and Bridges				(1148)	(814)	(496)	(251)	(256)	(2995)
Marine and Harbours				(184)	(105)	(65)	(155)	(155)	(664)
Aviation xxx)				-	-	-	-	-	-
General Services				(54)	(46)	(52)	(48)	(48)	(247)
Power				(74)	(76)	(70)	(75)	(75)	(567)
Water Supply and Sewerage				(180)	(630)	(614)	(122)	(122)	(1768)
Buildings				(293)	(158)	(172)	(407)	(407)	(1284)
Postal Services and Radio				(125)	(490)	(480)	(90)	(90)	(1343)
c) Social Services - Total	1	1	24	212	298	414	478	478	1881
Health				(82)	(111)	(211)	(186)	(186)	(787)
Education				(130)	(187)	(203)	(292)	(292)	(1094)
d) Miscellaneous - Total	182	20	29	370	408	429	191	191	1654
Visitor Industry Development				(20)	(22)	(24)	(28)	(28)	(120)
Housing Development				(40)	(40)	(40)	(40)	(40)	(200)
Development Bank				(200)	(200)	(100)	-	-	(500)
Broadcasting				(7)	(41)	(155)	(13)	(13)	(296)
Export Promotion				(3)	(5)	(10)	(10)	(10)	(38)
Reserve				(100)	(100)	(100)	(100)	(100)	(500)
e) Public Administration - Total	53	55	90	29	29	30	30	30	148
General Administration				(10)	(10)	(10)	(10)	(10)	(50)
Law and Order				(9)	(10)	(10)	(10)	(10)	(48)
Fiscal Administration				(10)	(10)	(10)	(10)	(10)	(50)
vii) Total Government Expenditures (iv)-(vi) xxxxx)	28680	6170	7629	9788	9950	10099	9356	9225	48418
3. Surplus/Deficit (1-2)									
viii) Surplus (+) (iii)-(vii) ix) Deficit (-) (iii)-(vii)	+1284	+933	-158	+257	-594	-323	+258	+646	+244

Note:

x) Figures for 1966-70 are tentative, 1970 figures are estimates. Due to concepted changes in definition of maintenance-, capital-, and development expenditures, the figures for 1966-70 are not directly comparable with figures for the Second Plan.

xx) Foreign Finance and Aid do not necessarily pass through the Government Budget: wherever possible receipts and expenditures are shown gross.

xxx) Due to merging of projects, expenditures for Aviation are included under Roads.

xxxx) Production Services: Agriculture Department.
Infrastructure: Public Works Department (incl. Marine Department & Civil Aviation), Post Office & Radio Department.
Social Services: Health Department. Education Department.
Public Administration: Law and Order: Attorney General, Justice Department, Police & Prisons, Legislative Department.
General Administration: Prime Minister's Department, Department of Economic Development, Lands and Survey, Public Service Commission, Broadcasting Department.
Fiscal Administration: Customs Department, Treasury Department, Inland Revenue Department, Audit.

xxxxx) Capital Vote Expenditures 1966-70 are included under Plan expenditures. A minor amount and part of capital vote expenditure for 1971 (100,000) is included under Maintenance expenditures. The remaining part is included in Plan expenditures.

15. Due to conceptional differences in definition of maintenance, capital, development and Plan expenditures, the above figures are, to some extent, not directly comparable with figures used in the first Five Year Programme.

16. However compared with total expenditures for the First Five Year Programme, the Second Plan may be regarded as an ambitious Plan. But considering other indicators, the Plan is in accordance with the availability of financial resources, the needs and potential of the various sectors and the capabilities of the Public Sector. Having regard to the national objectives and priorities, the Plan is characterised by large infrastructure investment, which is a necessary precondition for economic and social development in all fields of the economy. In addition there is adequate provision for the Agricultural Sector and due provision for social services and miscellaneous development. It is noted that outlays in Infrastructure are closely related to the Agricultural Sector, as programmes for roads, water supply, wharves and warehouses, etc. are prerequisities to agricultural expansion and prevent bottlenecks in agricultural production and marketing.

17. In summary the total budget for 1971-1975 shows a surplus of $244,000.

18. Details of Sector schemes and phasing are indicated in Chapter VIII and IX. Expenditure sanctions will be worked out in the succeeding Annual Plans based upon further project preparation. Further surveys remain to be done for some projects as well as detailed phasing thereof. Annual Plan for 1971 is contained in Chapter X

3–2–2 Key Targets

49. In table III below a few selected Key Targets from the Plan are presented. These targets are dealt with in detail under Sectors of Development. Therefore no further comment is made.

Job creation (number, sectors)

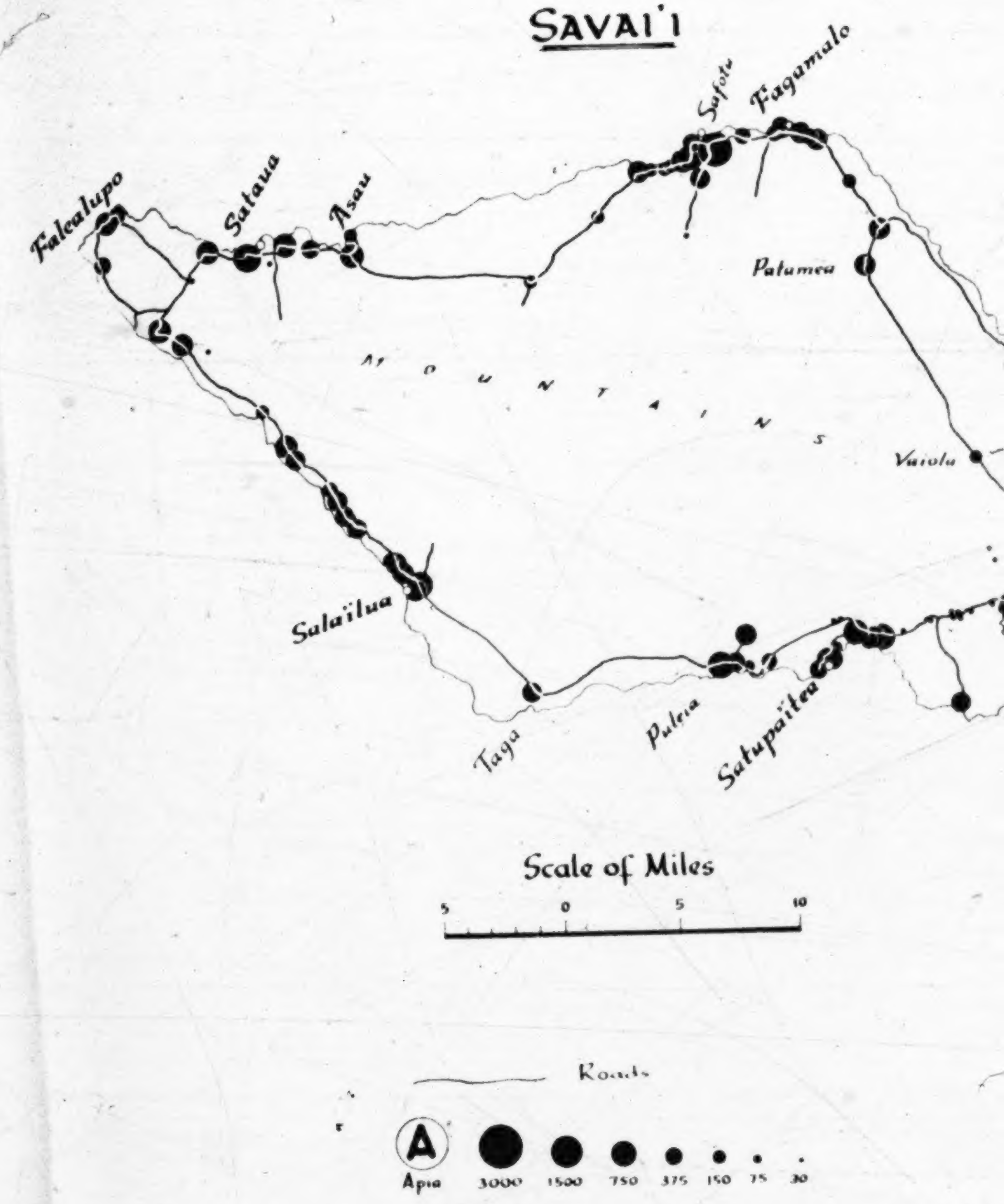
Table III. Selected Key Targets

	in 1969	Target in 1975
1. Copra		
i) No. of acres planted	70,700 acres	97,000 acres
ii) Exports — tons	14,550 tons	16,000 tons
2. Cocoa		
i) No. of acres planted	12,000 acres	12,700 acres
ii) Export — tons	3,017 tons	3,075 tons
3. Bananas		
i) No. of acres in full production	3,000 acres	4,000 acres
ii) Export — No. of cases	219,391 cases	600,000 cases
4. Livestock		
i) Import of meat — cwt	30,119 cwt	1,000 cwt
ii) Import value $	402,009 $	15,000 $
5. Fisheries		
i) Local catch — cwt	100 cwt	46,000 cwt
ii) Import — cwt	21,053 cwt	1,000 cwt
iii) Export — cwt	—	12,300 cwt
6. Forestry		
i) Local output — mill super feet sawn timber	0.8 mill s.f.	20 mill s.f.
ii) Import ..	1.7 mill s.f.	1 mill s.f.
iii) Export ,,	0.035 mill s.f.	16 mill s.f.
7. Miscellaneous exports (non-traditional crops, processed agricultural products, manufactured articles, handicraft etc.) $	0.6 mill $	2 mill $
8. Tourism		
i) Number of Tourists	14,584	40,000
ii) Number of hotel rooms	115 rooms	435 rooms
9. Private housing		
i) Number of lots made available for house construction	—	50 lots
10. Roads — permanent-miles	73 miles	141 miles
11. Water supply — No. of new improved connections	—	71,000
12. Vocational Training-output — students	38 students	110 students
13. School going population (5-14) — pupils	33,055 pupils	47,350 pupils

3–2–3 Balanced Development

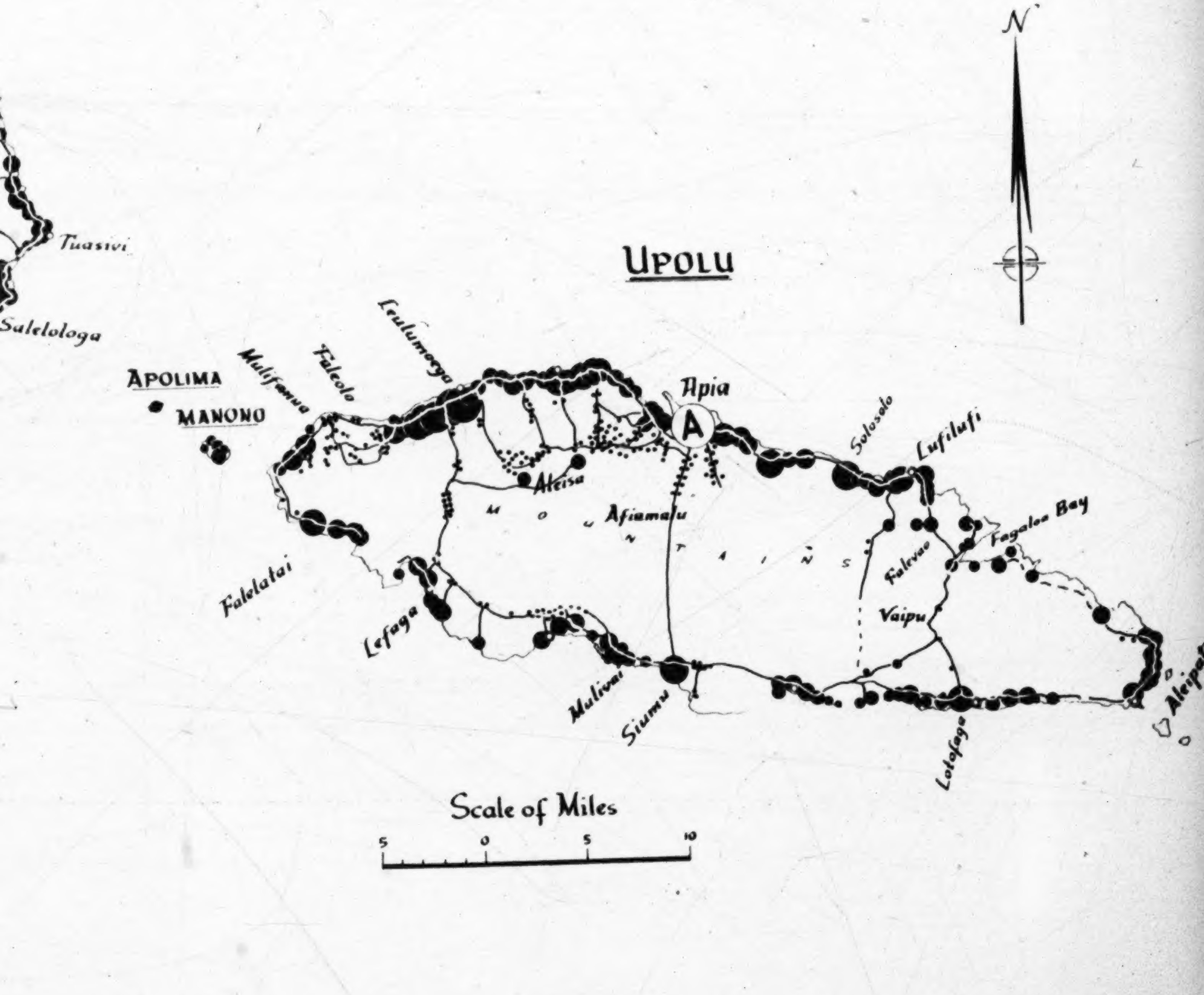
50. Economic and social development is promoted by an integrated balance in government objectives, priorities, policies and outlays among the different sectors.

51. The Plan is balanced in respect of allocation of resources among the different sectors in terms of economic and social development. As indicated, there is adequate provision not only for production sectors like Agriculture and economic overheads Transport, Water Supply, Sewerage, Electricity and Communications, but substantial resources have also been alocated for Education and Health programmes after making due provision under the Maintenance budget.


SAVAI'I
Falealupo
Sataua
Asau
Safotu
Fagamalo
Patumea
MOUNTAINS
Vaiola
Sala'ilua
Taga
Puleia
Satupaïtea
Scale of Miles
5
0
5
10
Roads
A
Apia
3000
1500
750
375
150
75
30

CONCENTRATIONS OF POPULATION
1971 Projections based on 1956 Census

WESTERN SAMOA


N
UPOLU
Tuasivi
Salelologa
APOLIMA
MANONO
Mulifanua
Faleolo
Leulumoega
Apia
A
Solosolo
Lufilufi
Aleisa
Afiamalu
M O U N T A I N S
Falelatai
Lefaga
Falevao
Fagaloa Bay
Vaipu
Mulivai
Siumu
Lotofaga
Aleipat
Scale of Miles
5
0
5
10

52. The Plan is also balanced in allocation of resources for the welfare of both urban and rural areas. This is evidenced by an analysis of the allocations for Agriculture, Roads, Water Supply, Education and Health development schemes. Also there is an attempt, to the extent possible, to meet the requirements of growth and development of both Upolu and Savaii.

53. In the field of Infrastructure provision has been made in the Plan for Water Supply in Apia, Upolu West Coast and the rural areas in Upolu and Savaii, the Sewerage system in Apia, establishment of rural post offices in Savaii and Upolu, improved radio communication and new telephone connections in and between Apia and Asau. Provision has also been made for improved broadcasting coverage of Upolu and Savaii in particular, road improvements including bridges on both islands, government office complexes in Apia and Asau, Apia Wharf Warehouse, upgrading of Faleolo Airport and Road, and upgrading of Salelologa and Mulifanua wharves to take the proposed Vehicular Ferry between Upolu and Savaii.

54. As regards Social Services, allowance has been made for upgrading of Tuasivi Hospital as the regional hospital for Savaii, upgrading of Sataua Hospital in the Asau area, improved staff position for rural hospitals in general, and investigation for a new hospital in Apia. Educational development is envisaged through improved staff and buildings in urban and rural areas, and upgrading of vocational training in Apia.

55. The Private sector, in Asau and Savaii in general will benefit from the opening of Asau wharf in 1971, the Vehicular Ferry, and the domestic air service which will influence the location of future private enterprise activities. Considerable expansion of private sector activity is envisaged for Apia.

56. As regards urban areas, the existing town plan for Apia is to be followed up. A town plan for Asau is to be adopted. These town plans are to be implemented through necessary legislation. The plans are particularly needed in view of the need for housing and infrastructural development.

57. A planning team should be established consisting of Public Works Department, Lands & Survey Department and Department of Economic Development for rural and urban planning.

58. The income and employment opportunities which will be created by Plan investments under various programmes will bring about a redistributional trend in the income levels in different sectors of the community.

3-2-4 Key Materials Budget

59. To ensure that the implementation of projects/programmes in the Public and Private Sectors is not impeded in the Plan period, key materials budgets will be prepared. These budgets, Five Year and Annual, indicate prospective demand and supply for such materials as for building and construction, metals, fertilizer and other chemicals. Further, these budgets will facilitate the participation of the Private Sector in supplying the Public Sector.

60. The Public Works Department is engaged in the preparation of a Key Materials Budget for 1971. In early 1971 the Department of Economic Development and Public Works Department will jointly undertake to formulate the materials budget for the 1971 Annual Plan and for the Five Year Plan. This procedure will form an integral part of Annual Planning from 1972 onwards.

3–2–5 Capacity Assessment, Manpower and Training

61. The capacity has been assessed of the Public Works Department, Departments of Agriculture, Health, Education, Post Office & Radio and Broadcasting, to handle their work load. The issues arising out of this assessment in regard to manpower planning, training and recruitment policy are stated in the following paragraphs. In regard to the needs for key personnel the view has been taken to engage expatriates for a limited period while Samoan personnel can be trained. In manpower planning stress is being laid on Samoanisation.

62. The shortage of post-secondary professional personnel in government services is demonstrated by the following tabulation of current vacancies in key Departments:

i) Public Works Department.

In the Water unit, the Roads, Buildings and Mechanics unit, and in the Electric Power Section eight vacancies for engineers exist. The posts of Senior Civil Engineer and that of Town-planner are also vacant.

ii) Education Department.

Teachers Training College: more teachers will be needed by 1972 due to increase in students. Trades Training Institute: the post of Principal will be vacant in 1972.

iii) Health Department.

Vacancies exist in specialists posts as well as in posts for medical officers in Apia Hospital, Tuasivi Hospital and District Hospitals.

iv) Post Office and Radio Department.

Vacancies exist in the post of Senior Radio Technicians, and by 1972 in the posts of Radio Technicians.

v) Broadcasting Department.

Vacancies exist in the posts of Senior Technician, Senior Programme Announcer, Advertising Manager, Programme Organiser and Senior Programme Officer.

vi) Agriculture Department.

Various vacancies will occur the next five years.

63. At the subprofessional level the training needs in the various trades were estimated on interview method by the I.L.O. vocational training adviser, to be:

Industrial teachers (5), ship's captain (10), mechanic/repairman (70), fitter/machinist (10), sheet metal-worker (20), fitter/electrician (20), electronics fitter (40), carpenter (250), cement finisher/bricklayer (50), glazier (5), baker (50) and butcher (20).

Concurrently the ongoing training programmes have been examined. In respect rofessional levels the inclusion of scholarship programmes in the Departmental ning programmes must be envisaged. Expansion of training facilities is pro- d thus reducing the future demands for expatriates. Training programmes rades training and teacher training are expanded.

A list of Samoans, living overseas, indicating their skills is under preparation and s should be undertaken to invite appropriate persons to apply for vacancies.

At present a considerable number of key staff is provided under technical stance programmes operated by the United Nations and associate Agencies, Zealand, Australia and the Commonwealth. The programme of the United ions and its Agencies has the widest coverage. The other schemes are mainly entrated on education. The United States and New Zealand assist by providing ng volunteers to serve in a variety of capacities, mainly teaching.

The technical assistance programmes benefit almost all Departments. Sa n counterparts are being trained to the maximum extent possible.

The technical assistance schemes are of great value in their provision of the key power which is a precondition for the economic and social progress of the ntry.

2-6 Recruitment of Government Key Personnel

The government's recruitment policy of personnel is crucial for the provision of manpower. By recognising the salary scales in force on the international re- ing market, the government will be able to engage the required key personnel by assuring the implementation of the programmes in the Second Five Year

An examination of the various components of the development projects in the indicates that Plan implementation would gain in efficiency through some sure of administrative reorganisation. In some Departments like Public Works may take the form of decentralisation and in others like Broadcasting, Post e and Radio it may be in the nature of regrouping and coordination.

In order to ensure that recruitment of key personnel is not restricted due to in- tional rigidities, greater authority in recruitment should be allocated to Depart- tal Heads with the Public Service Commission as an institution for general ies and procedures.

7 Employment Prospects

Three population trends in the demographic situation in Western Samoa are ajor importance to the employment situation: the growth of the total popula- the changing age structure, and emigration. According to data provided by Bureau of Statistics the projected population increase between 1971 and 1976 unts to 20,400 i.e. from 148,565 in November 1971 to 168,968 in November .*

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umptions:

i) Fertility stable at the 1961-1966 level.
ii) Some decline in the mortality rate
iii) Same intensity in age specific emigration and immigration.

73. The increase in the population above the age of 15 years is projected to be 13,000 (males and females) for the five years.

74. In view of the above increase of the population in the labour ages and the present emigration of young Samoans looking for gainful employment overseas, the Second Five Year Plan stresses the importance of the creation of employment opportunities in the country. The present emigration is at a level of 1,200 annually. In maintaining the present participation rate the need for new employment opportunities is estimated to be 1,300 per annum.

75. The Second Five Year Plan aims at a structural change in employment. More persons of the labour force ages will enter into the non-traditional sector, instead of being absorbed in the traditional sector.

76. The Plan's employment potential is being assessed with regard to the projects in the Public Sector, to the developments indicated in the Private Sector and in respect to the Village Sector. As regards the Village Sector it must be realised that the employment effects of the Village Development Plan become apparent gradually. The prospects of job opportunities in number and nature in the economy of Western Samoa during 1971-1975 will be of the same order as projected.

77. The employment effects of the Plan are considerable, taking into account the expansion of activity in fisheries, forestry, agriculture, construction and industry etc., so that the minimum of 1,300 will be reached and exceeded.

3–2–8 Annual Planning

78. The technique of annual planning, the adoption of a systematic method of reporting Plan progress and the organisation of follow-up action will all be adopted as means of implementing the Second Five Year Plan on schedule. Adjustment in the Plan will be made where and when necessary in the context of the emerging situation.

79. The annual plan approach, which has been adopted by most developing countries, is essentially an operational plan within the framework of the Five Year Plan, in the context of which it —

i) makes annual review of the economy during the preceding Plan year(s).

ii) takes note of the emerging changes in the socio-economic and political situation, and brings out the implications for the coming year and for the Plan's long-term objectives, priorities, targets and outlays;

iii) forecasts demand and supply and the balance payment.

iv) estimates, mobilizes and allocates financial resources in coordination with the annual budget.

v) assesses, mobilises and allocates non-financial resources — manpower and material — to the various development programmes and projects.

vi) specifies in physical and financial terms the sectoral programmes and projects to be completed during the period of the annual plan.

vii) formulates appropriate policies for counteracting short-term deviations and restoring the economy to the planned path of growth.

80. In the allocation of resources and estimation of physical benefits, annual phasing has been carefully worked out on the basis of:

a) Capacity of the project authorities;

b) Availability of financial and material resources;

c) Overall balance among the sectors/projects.

81. In formulating the annual plans in subsequent years, while the phasing indicated in the Plan will be kept in view, a new schedule of planned investment targets will be worked out each year as the Plan progresses. There will be a Mid-Plan Appraisal of the Plan about 1973.

82. As far as possible resources have been allocated among the sectors, programmes and projects — current and investment — and physical benefits have been set out commensurate with the the expenditure. To this extent the Five Year Plan reflects in some detail the commitment of the planning and implementing agencies. This is very desirable on all hands, but there are a few projects for which details have yet to be worked out and allocations will be made through successive annual plans. By 31 March all projects in the 1971 Annual Plan will be formulated for expenditure sanction. This will also facilitate negotiating Foreign Aid in a more systematic manner and in relation to all sources. Having regard to the constraints of inadequate statistical and technical information and the inherent volatility of an externally oriented economy like Western Samoa, it is indeed proper to build a degree of flexibility into the Plan, notwithstanding the inescapable responsibility on the part of all concerned to implement the Plan according to schedule.

3.2.9 Balance of Trade and Payment

83. Western Samoa's economy is externally oriented, vulnerable to changing world market prices for cocoa and copra. The pace and character of development is therefore to some extent determined by outside factors. In addition the country is dependent on large imports of capital goods for investment programmes and consumer goods for local consumption.

84. The broad objectives of trade and foreign exchange allocation policy is to ensure:

* a healthy balance of payment situation consistent with the need for accelerated development.

- expansion and diversification of exports and local production for import substitution in order to provide opportunities for increased employment and income.

85. The achievement of these objectives requires adoption of the following programme:

- Export promotion and incentives to export-oriented industries.
- Improvement of internal and external marketing channels.
- Expansion of existing markets and adoption of new markets.
- Measures and policies designed to improve the competitiveness of our non-traditional export commodities, through an export promotion programme.
- Encouragement and assistance of local import-substitution industries which have potential viability in the long run.

86. It is not anticipated that balance of payment problems will occur in the next 5 years. The Table below indicates a diminishing deficit on the Balance of Trade, in 1975 in the order of $1million. This will be offset by a surplus on the balance of invisibles of $2.85million. In turn this will create a net surplus on the overall Balance of Payment $1.85million.

87. It is anticipated that exports will increase substantially from WS$4.8million in 1969 to WS$9.8million in 1975 as shown in the Table below.

88. Imports are projected to increase from WS$7.4million in 1969 to WS$10.8 million in 1975.

89. The increase in imports is mainly in capital goods for investment while consumer goods only show a moderate increase due to increased local production which will substitute for imports.

90. The surplus on the Balance of Invisibles will increase from WS$2.1million in 1969 to around $2.9million in 1975 mainly due to personal remittances and tourism.

91. The effect upon Balance of Payment from Potlatch is estimated to be low due to large imports for the operation and repatriation of capital. This aspect however, is subject to further analysis.

Table IV Western Samoa's Balance of Trade and Payment 1966-1975

	Five Year	Actual		Estimated	Projection					Five Year
	1966-70	1968	1969	1970	1971	1972	1973	1974	1975	1971-1975
1. EXPORTS										
Copra	7.9	1.9	1.8	1.7	1.7	1.7	1.7	1.9	2.0	9.0
Cocoa	7.2	1.3	1.8	1.4	1.4	1.4	1.4	1.4	1.4	7.0
Banana	2.1	0.3	0.6	0.8	1.2	1.5	1.5	1.5	1.5	7.2
Timber	-			–	1.5	2.5	2.6	2.7	2.7	12.0
Fish		–	—	—	—	—		—	0.2	0.2
Miscellaneous and Re-Exports	2.7	0.5	0.6	0.7	0.9	1.2	1.5	1.8	2.0	7.4
TOTAL EXPORT	19.9	4.0	4.8	4.6	6.7	8.3	8.7	9.3	9.8	42.8
2. Total Imports	32.5	5.5	7.4	8.3	9.0	9.4	9.6	10.2	10.8	49.0
3. Balance of Trade (1-2)	–12.6	–1.5	–2.6	–3.7	–2.3	–1.1	0.9	–0.9	–1.0	–6.2
4. Balance of Invisibles	9.4	1.7	2.1	2.2	2.2	2.4	2.5	2.7	2.9	12.7
5. Balance of Current Account (3-4)	–3.2	0.2	–0.5	–1.5	–0.1	1.3	1.6	1.8	1.9	6.5

3–3 Private Sector

92. In the indicative type of planning used in Western Samoa, the public sector will support the development of the private sector in the desirable directions by offering:

- i) Incentives
- ii) Research and advisory services
- iii) Credit at reasonable terms
- iv) Coordination between the demands of the Public sector and the capacity of supply from the Private sector.
- v) Promotion of South Pacific regional economic cooperation for import substitution and export promotion.

93. The development of the private sector will be based upon a deliberate and systematic policy and follow-up action on the part of all Government departments concerned. In the absence of such initiative and sponsorship on the part of the Government the infant industrial enterprises, the visitor industry and the agricultural sector of this country can only act in the known areas of development which are extremely limited.

94. In non-centrally planned economies like that of Western Samoa, developments in the Private Sector are projected and based upon indicative planning. Interviews with the organised business community and studies of the various economic indicators like trade, balance of payments, savings, etc., make it possible to indicate investments.

95. Estimates of investments in the Private Sector are given in the following Table V based upon interviews and analyses.

Construction plans amount to $8,000,000. As can be seen in Table V these plans include about $4,500,000 for hotels, about $1,700,000 for commercial buildings like shops, storage sheds etc., about $1,200,000 of private houses, and about $600,000 for factories. Indications in the transportation sector amount to $2,500,000. In air transport about $2,000,000 will be invested. In Sea transport the indications are about $200,000. Investment in Land transport by trucks, buses, and taxis is estimated to amount $300,000.

96. As regards industry the indicated investments are round $4,600,000. Agricultural produce processing industries will invest around $1,500,000 in machineries, tools etc. Investments in timber based industries amount to around $200,000 and investments in garage and repair facilities amount to around $400,000. Non identifiable investments are estimated to be $2,500,000.

97. As regards agriculture the investments are estimated to be in the order of $3,000,000.

Table V Estimated Net Investments in the Monetised Private Sector

(000$)

	1971-75	Totals
1. Construction		(8,000)
1) Commerce	1,700	
2) Hotels	4,500	
3) Industry	600	
4) Private Houses	1,200	
2. Transportation		(2,500)
1) Road		
i) Taxis	—	
ii) Buses	100	
iii) Trucks	200	
2) Sea	200	
3) Air	2,000	
3 Industry		(4,600)
1) Agricultural Produce Processing	1,500	
2) Forestry Products	200	
3) Garage Repair Facilities	400	
4) Non Identifiable	2,500	
4 Agriculture		
1) Unspecified		(3,000)
Total Investments		18,100

In regard to construction government will support the construction industry in Western Samoa by:

* splitting up major government building projects into smaller sections open ~~for~~ for tender by local constractors.

* encouraging arrangements which strengthen the managerial and administrative capacities of the local contractors.

As regards transportation, policies will be geared to the objectives mentioned in Section 8-5. In regard to industry, government will support existing and future undertakings by:

* incentives

* export promotional services

- * identification of profitable industries
- * investigations like those mentioned in Section 8-2.

100. In regard to agriculture government will support the private sector along the lines mentioned in Section 8–1–1.

101. The Second Five Year Plan envisages a definite and vigorous policy for promotion of development in the Private Sector in the priority areas indicated in Chapter VI. There is provision of $500,000 for the Development Bank in the Public Sector Plan to help new entrepreneurs and contractors, primarily Samoans, to do their share in the development of Agriculture, Manufacturing, Transport and Construction. The Development Bank has not only to function as a financing body but also as a promotional agency. With that end in view the institution has to be suitably organised.

3–4 Village Development Plan

102. The most significant objective of the Second Five Year Plan is to motivate Village Agriculture and to increase its productivity, to diversify, to promote optimum use of the land and to maximise utilisation of under employed labour power. This objective can be achieved by using with care and flexibility the Samoan way of combining established cultural values with economic progress. By and large Village Development Plans should be formulated within the existing land tenure system. Matai and Aiga should be reoriented to the emerging needs of growth and structural change in the economy of Western Samoa. Village Development Plans and incentives will be formulated in 1971 by the Economic Development Department in cooperation with the Department of Agriculture, Public Works Department and other departments concerned. Taking into account the needs and potential of a village — in some cases two to three villages — and the national targets in the programme mentioned below, Village Development plans would be worked out in terms of output, supplies, marketing and credit etc., needed. The Matai and the Aiga should be kept fully in the picture. Technical assistance from extension officers, livestock officers, public works supervisors and other government officials will be made available. The details of the facilities, inputs and investments available under the Second Five Year Plan are indicated in the sections of this Plan on:

Tree corps
Small crops
Horticulture
Fisheries
Livestock (Beef Cattle, Piggery and Poultry)
Forestry
Handicrafts
Rural Roads
Rural Water Suply
Rural Sanitation
Rural Housing

103. It is proposed that the Department of Economic Development would be in charge of this work. There should be a multi-purpose Village Level Worker (VLW). He would assist in the formulation and the followup of the implementation of the Village Development Plan. The Cabinet's Advisory Committee on Pulenu'u/Pule-

faatoaga etc., is investigating the need and role of such a worker. As a integral part of the Village Development Plan, recommendation is made for the establishment of a cadre of such workers, with provision for intensive training of these workers after careful selection of the type of the personnel and their placement under the officer-in-charge of Village Plans in the Department of Economic Development. The Village Level Worker (V.L.W.)) would enable the Department of Economic Development to report to the Economic Development Board on the progress of Village Development Plans.

IV. FINANCING

104. This Chapter deals with the financing of Public Expenditures. As regards financing of economic development in the private sector, details are given in Chapter VI Economic Policies.

105. Total financial resources for the Public Sector amount to $48.7 million of which $37.8 million are current account receipts and $10.9 million capital account receipt as indicated in Table VII.

106. On current account, export and import duty, which contribute some 50% of total government revenues, are conservatively estimated to increase moderately – from around $2.8 million in 1970 to $4 million in 1975. Its functional relationship with import and export, although somewhat diminishing, will be largely unchanged, bearing in mind loss of duty from capital goods import due to Enterprises Incentives Act, and consumer goods import only increasing very moderately due to import substitution from increased local production.

107. Income Tax is anticipated to increase from $0.6 million in 1970 to $1.1 million in 1975 due to increased number of wage earners, and companies terminating tax holidays under the Enterprises Incentives Act.

108. Revenue from communication and postal services, including postage stamp sales, are estimated to increase from $0.3 million in 1970 to $0.9 million in 1975, electric power from $0.3 million to $0.6 million in 1975. Revenues are conservatively estimated.

109. As regards capital account receipts, the following table indicates the relative position of the various sources of finance.

Table VI Government Receipts: Capital Account 1971-1975

	(000 $)	%
1. Domestic Loans	2,000	18.4%
2. External Loans	5,797	53.4%
3. Grants	1,450	13.3%
4. External Supplier Credit	281	2.6%
5. Foreign Aid	749	6.9%
6. Other	585	5.4%
Total Capital Receipts	10,862	100%

110. The inflow on capital account will be substantially higher than in the First Five Year Programme. The majority of the financial resources are tied to projects mainly in Infrastructure. It is noted that the figures for grants and foreign aid, as indicated in the table above, only include grants and foreign aid in cash which pass through the government budget. There are however substantial Technical Assistances Programmes from United Nations and other Development Assistance Agencies which are not included in these figures.

111. While it is recognised that the inflow of capital is considerable, it is realised that it is line with the objectives, priorities and capabilities of the Public Sector, and considered to be a precondition for sustained economic growth.

Table VII. : Government Financial Resources 1971-75
(000 [illegible])

	1971	1972	1973
1. Current Account (Import and Export duty, Income Tax, Indirect Taxes, Sale of Government Services, Interest and Rents Received Surplus from State Corporation	6600	6800	7300
Add additional Taxation and Insurance Funds	-	100	200
TOTAL CURRENT ACCOUNT	6600	6900	7500
2. Capital Account			
i) Domestic Loans			
a) National Loans	500	-	500
b) Provident Fund	-	200	200
ii) **External Loans**			
a) ADB Beef-Cattle Project	56	56	56
b) Faleolo Airport Road - **ADB Spill Over**	700	500	-
c) Apia Water Supply	-	208	206
d) Apia Sewerage	28	80	75
e) Radio Communication	-	381	400
f) Broadcasting Project	-	-	135
g) Legislative Assembly (New Maota Fono)	120	-	-
h) Untied Loans	1500	500	-
iii) Grants			
a) Copra Board	70	60	60
b) **New Zealand***	140	200	200
c) **Other**	-	-	20
iv) External Supplier Credit	187	94	-
v) Foreign Aid			
a) West Coast Water Supply - UNICEF	33	28	34
b) Trades Training Institute - ILO	-	37	38
c) UNICEF Contribution to Health Projects	1	2	1
d) Fisheries Training School - Freedom From Hunger Campaign	-	-	241
vi) Other	10	10	10
vii) **Capital Inflow not indicated above**	100	100	100
TOTAL CAPITAL ACCOUNT	3445	2456	2276
3. Total Financial Resources (1) + (2)	10045	9356	9776

***The figures are underestimated by $60,000 in 1971.**

Table VII. : Government Financial Resources 1971-75
(000)

	1971	1972	1973	1974	1975	1971-1975	
uty, Income , Sale of Government and Rents Received Corporation	6600	6800	7300	7800	8500	37000	
ance Funds	-	100	200	200	300	800	
ACCOUNT	6600	6900	7500	8000	8800	37800	
	500	-	500	-	-	1000	
	-	200	200	300	300	1000	
						2.0	
	56	56	56	56	56	280	
oject	700	500	-	-	-	1200	
d - ADB Spill Over	-	208	206	50	-	464	
	28	80	75	-	-	183	
	-	381	400	95	39	915	
a	-	-	135	-	-	135	
st	120	-	-	-	-	120	
y (New Maota Fono)	1500	500	-	500	-	2500	
						5797 ✓	
	70	60	60	70	70	330	
	140	200	200	200	200	940	
	-	-	20	60	100	180	
	187	94	-	-	-	281	
						1731	
		28	34	34	21	150	
pply - UNICEF	33	37	38	37	38	150	
titute - ILO	-	2	1	2	2	8	
to Health Projects	1						
School - Freedom ign	-	-	241	100	100	441	749
	10	10	10	10	45	85	
above	100	100	100	100	100	500	585
ACCOUNT	3445	2456	2276	1614	1071	10862	
	10045	9356	9776	9614	9871	48662	

restimated by $60,000 in 1971.

V. ANNUAL PLAN 1971.

112. Formulation of the Annual Plan for 1971 coincides with formulation of the Five Year Plan. In future years, preparation of the Annual Plan should be taken up and finished well in advance of the finalisation of the Annual Budget.

113. While the new schemes and projects included in the Annual Plan have been examined to the extent possible, expenditure sanction, according to the outlays indicated, will be issued after Treasury has completed its scrutiny. By 31 March full provision would be made in the 1971 Budget by Supplementary Estimates.

114. Total 1971 government financial resources are estimated at $10.1 million of which $6.6 million Current Account and $3.5 million Capital Account. The estimates on Current Account are based upon analysis of the economy at a growth rate which, by and large, remains at the level as experienced in previous years. On Capital Account untied loans are subject to negotiations in 1970-71. Further details about financial resources are indicated in Table IX.

115. Total government expenditures for 1971 are estimated at $9.8 million, of which Statutory Expenditure $0.5 million, Maintenance $5.9 million and Plan Expenditures $3.4 million. As already mentioned full provision for Plan expenditures will be made in Supplementary Estimates. Details regarding government expenditures for 1971 are presented in Table IX.

116. As regards government expenditures, Statutory–, Maitenance and Plan expenditures, and their allocation on Sectors, details are given in the following Table VIII.

TABLE VIII Total Government Expenditures (Statutory–, Maintenance and Plan Expenditures)

(000$)

	1970		1971 Expenditure			
	Total	%	Maintenance*	Plan	Total	%
Statutory Expenditures	366	4.8	—	—	459	4.7
Production Services (Agriculture)	670	8.8	355	779	1134	11.6
Infrastructure	2932	38.4	1632	2058	3690	37.7
Social Services (Health and Education)	1766	23.2	1895	212	2107	21.5
Miscellaneous Development	91	1.2	80	370	450	4.6
Public Administration	1804	23.6	1919	29	1948	19.9
Total Expenditures	7629	100	5881	3448	9788	100

*Maintenance Expenditures include some Capital-vote expenditures.

117. Details of Public Scheme outlays and their phasing, appear in Chapter IX. Key targets, objectives, priorities and policies for Sectors are indicated in Chapter VI and VIII. Since the Annual Plan is described in detail in these Chapters, no further comment is made.

118. Projection for Balance of Trade and Payment is indicated in Section 3-2-9. The Balance of Trade deficit is estimated at $2.3 million in 1971 while Balance of Invisibles indicates a surplus of $2.2 million, which results in a deficit of $0.1 million on the Current Account on Balance of Payment. Foreign exchange allocation budget for 1971 has yet to be worked out. A working team from Treasury, Department of Economic Development and Prime Minister's Department should formulate the budget by 1 January, within the framework of the objectives and priorities of the Second Plan for Private and Public Sectors.

119. Within the framework of the Five Year Plan, the most important objectives in 1971 are:

- i) Investigation for projects indicated in the following paragraph.
- ii) Preparation of projects, especially those for which external finance has to be negotiated.
- iii) Arrangement for recruitment and training of key personnel.

Highest priority has been allocated to the completion of continuing projects and production schemes.

120. The following projects should be further investigated and formulated in 1970-1971.

- i) Projects which involve foreign aid negotiations in 1971
  - a) Apia Water Supply to commence in 1971.
  - b) Apia Sewerage System to commence in 1971.
  - c) Radio Communication and Telephone System to commence in 1972.
  - d) Trades Training Institute — Technical College, to commence in 1971.
  - e) Fisheries Training School to commence in 1972.
- ii) Projects which are financed by ordinary government revenue (current account).
  - a) Apia Wharf Warehouse to commence in 1972.
  - b) Vehicular Ferry and Wharf to commence in 1971-72, (infrastructure investment in upgrading of channel and wharf):
  - c) Government Office Complex Apia to commence in 1973.
- iii) Other investigations.
  - a) Preliminary surveys 1971-75 for the new Apia Hospital for the Third Five Year Plan.
  - b) Request for and completion of UNIDO/FAO feasibility study of coconut and by-products in 1971.

Table IX. Government Financial Resources and Expenditures 1971 and 1969-70*
(000)

	1969	1970	Annual.....Plan.....1971	
1. Government Financial Resources				
i) Government Revenue, Current Account (Total)				(6600)
a) Import and Export Duty	2730	2730	3000	
b) Income Tax	598	600	680	
c) Indirect Taxes	92	94	100	
d) Sale of Government Services	2511	2757	2610	
e) Interest and Rents Received	93	121	130	
f) Surplus from State Corporation	60	60	80	
ii) Capital Account (Total)				(3445)
a) Domestic Loans				
i) National Loans	500	-		
ii) Copra Board	-	-	500	
b) External Loans	-	130	-	
i) Potlatch - Asau Harbour	250		-	
ii) Bank of New Zealand	50	-	-	
iii) New Parliament - Maota Fono - New Zealand Government	-	49	120	
iv) New Zealand Government Loans Asau Channel	-	120	-	
v) ADB - Beef Cattle Project	-	120	56	
vi) Faleolo Airport Road - ADB Spillover	-	-	700	
vii) Apia Sewerage	-	300	28	
viii) Untied Loans	-	-	1500	
c) Grants				
i) Copra Board	55	40	70	
ii) New Zealand	114	120	140**	
d) External Supplier Credit	-	-	187	
e) Foreign Aid				
i) West Coast Water Supply	-	-	33	
ii) UNICEF Contribution to Health Project	-	-	1	
f) Other	-	-	10	
g) Capital Inflow not indicated above	-	-	100	
iii) Total Financial Resources	7103	7471	10045	

	1969	1970	Annual... Plan.......1971			
			1971 Budget	1971 Supplementary Estimates	Other Sources of Finance	1971 Total
2. Government Expenditure						
iv) Statutory Expenditure	325	366	459	-	-	459
v) Maintenance Expenditure	4754	5343	5881	-	-	5881
vi) Plan Expenditure - Total	1091	1920	696	1455	1297	3448
a) Production Service - Agriculture	220	343	288	248	243	779
b) Infrastructure - Total	795	1434	253	752	1053	2058
Roads and Bridges			48	200	900	1148
Marine and Harbours			65	119	-	184
Aviation***			-	-	-	-
General Services			15	39	-	54
Power			36	38	-	74
Water Supply and Sewerage			19	128	33	180
Buildings			54	119	120	293
Postal Services and Radio			16	10	-	125
c) Social Services - Total	1	24	71	140	1	212
Health			42	39	1	82
Education			29	101	-	130
d) Miscellaneous - Total	20	29	60	310	-	370
Visitor Industry Development			10	10	-	20
Housing Development			-	40	-	40
Development Bank			50	150	-	200
Broadcasting			-	7	-	7
Export Promotion			-	3	-	3
Reserve			-	100	-	100
e) Public Administration - Total	55	90	24	5	-	29
General Administration			10	-	-	10
Law and Order			9	-	-	9
Fiscal Administration			5	5	-	10
vii) Total Government Expenditures (iv)-(vi)	6170	7629	7036	1455	1297	9788
3. Surplus/Deficit (1.-2.)						
viii) Surplus (+) (iii)-(vii)	+933					+257
ix) Deficit (-) (iii)-(vii)		-158				

* Due to conceptual change in definition of maintenance, capital, development and Plan - expenditures, the figures for 1966-70 are not directly comparable with figures for the Second Plan.
** Indications are available that this amount is underestimated by $60,000
*** Due to merging of projects, Aviation is included under Roads.

c) Feasibility study of paper-pulp industrial complex and Vaipu Hydro Power Scheme in 1971.

d) Formulation of an additional beef-cattle project for complete import substitution in 1975 to be completed by 31 March 1971. A working group of Agriculture Department UNDP/FAO Special Fund Project, Department of Economic Development, Lands and Survey Department and Treasury Department should be established for this project.

121. Other studies, committees and working groups in 1971 include inter alia:

i) Key material budget.

ii) Recommendations by Fiscal Review Committee already appointed.

iii) Preparation and Legislation for Town Plan Apia and Asau.

iv) Inclusion and adoption of Land Use Board functions by the existing Land Board.

v) Project evaluation by Department of Economic Development of:
  a) coconut planting scheme
  b) water supply schemes
  c) beef cattle project

vi) A number of economic feasibility studies are to be undertaken in 1971 by the Department of Economic Development for identification of new viable industries in association with export promotion.

vii) Economic analyses of the potential of W.S.T.E.C. by the Department of Economic Development.

viii) Establishment of a group for preparation and negotiation for foreign capital, consisting of Prime Minister's Department, Department of Economic Development, Treasury and the substantive Departments concerned.

VI ECONOMIC POLICIES

6–1 Introduction

122. Objectives and targets of programmes under the Plan must be achieved not only through financial commitments, but also through fiscal, monetary and social policies. In this Chapter the following are included:

i) fiscal policy
ii) monetary policy
iii) external economic policy

6–2 Fiscal Policy

123. The Fiscal Review Committee appointed some time ago, should come out with its recommendations before a final view can be taken by the Economic Development Board. There are several areas where additional taxation can be considered:

i) imposition of a wholesale tax on selected items e.g. ice cream, soft drinks, etc., on local and imported products corresponding to the present primage duty (a 7½% import duty applicable to all goods) which should be removed;
ii) rationalisation of charges on health services and education facilities;
iii) some form of land tax on the basis of unimproved value of land holding and removal of 10% export duty.

124. Also about $350,000 can be collected if it is agreed to apply the general tariff rates on the Commonwealth goods. This should receive urgent consideration in case U.K. joins E.E.C.

125. It may be noted that taken as a proportion of the rough estimates of national income of Western Samoa, the government revenue receipts are adequate. The incidence of customs duty is fairly high on the various sections of the community. Following any rationalisation of tariff structure there may be some loss of revenue.

126. A non tax source of revenue is the Provident Fund which is to be established as a pension fund for wage earners. The experience of Fiji in this regard is encouraging. The introduction of the Provident Fund Scheme will not only contribute resources for the Plan, but also mop up surplus purchasing power and operate as an anti-inflationary fiscal device.

6–3 Incentives to Private Enterprises

127. According to the Enterprises Incentives Act 1965, amended in 1969, Cabinet can grant duty-free import of capital goods and raw materials, and tax free holidays for any incomes and period, during the first five years of an enterprise operation. The granting of special tax and depreciation rates vests in the authority of the Minister of Finance under the Income Tax Ordinance. There is need to review the operation of the provision for tax and duty holiday and of the allowance for depreciation in the light of experience gained in recent years.

128. Duty free import of capital goods and raw materials for export manufacture should continue to be granted until the tariff structure can be changed to reflect a permanent investment incentive in itself.

129. Tax holidays should be offered only to new projects which are profitable but venturesome and beneficial for the country. For less risky projects this provision can hardly act as an incentive, so it is neither desired nor needed.

130. As regards tax free holidays in the case of foreign direct investment the Government should, in the absence of any tax agreements with other countries, adjust the tax rate to a level not exceeding the rate that would be applied on this income in the home country, provided that the home country applies the rather common rule of reducing the tax claims on overseas profits by the amount paid in the host country.

131. To avoid deterioration of the Government's financial position and to encourage investment and reinvestment, concessions of depreciation at accelerated rates should be increasingly used rather than tax holidays.

132. In the future when tax-free holidays are granted, the firms should have an obligation to carry out a special minimum depreciation during the years of tax-holiday.

133. To encourage reinvestment, firms should be allowed to set aside for further investment up to 25 per cent of their net assessable incomes which shall be kept in seperate reinvestment accounts with the Bank. These reivestment funds may be used by the enterprise to finance investments that increase its production and employment. The new investment projects have to be approved by Cabinet on the advice of the Economic Development Board. If the funds are used for approved investments, within certain time limits, no tax should be assessed on that part of the original income that is paid into the bank account fund. The investor will be required, however, to make a depreciation immediately, without deduction from his assessable income corresponding to 75 per cent of the amount taken from the reinvestment fund. If the firm fails to use the funds for an approved project within the stipulated time limit, the amount set aside each year should be added to the taxable income for the respective years and the tax re-assessed.

6–4 Income and Price Policy

134. In recent years the trend in prices has been steadily upwards. Government and private salaries and wages were not increasing. This situation resulted in increasing pressure for salary and wage increases. In 1970 the government decided on a 5% increase, which was followed in the private sector.

135. The substantial increase in Plan expenditures in long gestation projects will increase income flows and money supply. To the extent the massive agricultural production programmes bear fruit according to schedule, these developments in the economy will be balanced by outputs. An increase in productivity at a faster rate than wage increases should be the policy. Success in achieving import substitution will also bring down the cost of living index.

136. Fiscal measures like the establishment of Provident Funds will operate as an anti-inflationary device. Promotion of Savings by adopting more aggressive monetary and banking policies and creating institutional facilities will contribute to the Plan objective of growth and development with stability.

137. The balance in the development outlays between sectors, between rural and urban areas and among internal regions will tend to equalise income growth among different sections of the community.

6–5 Domestic Capital

138. Economic growth requires coordination and cooperation between government economic policies and banking activities to ensure availability of credit within Western Samoa.

139. Being the only Bank in the country, the Bank of Western Samoa plays the double function of a central bank, and of a private commercial bank. At the same time it is a monopoly Bank closely associated with the Bank of New Zealand, a commercial bank. The following table illustrates the changes in the Bank of Western Samoa's deposits, advances and overseas investments and reserves.

Table: X Bank of Western Samoa's Domestic Deposits, Advances, Overseas Investments and Reserves 1965-69 (average monthly figures).

$(000)	1965	1966	1967	1968	1969	Increase 1965-69
1. Domestic Deposits	2308	2324	2131	2308	3363	45.7%
2. Domestic Advances	1177	1255	1232	1161	1187	0.8%
3. Funds invested overseas or held as reserves by the Bank of Western Samoa (1-2).	1131	1069	899	1147	2176	92.4%
4. Advance/Deposit Ratios	51.0%	54.0%	57.8%	50.3%	35.3%	—
5. Overseas funds/notes and Deposit Ratios	55.0%	55.4%	52.9%	52.6%	65.5%	—

140. From the table it appears that during 1965-68 nearly half of domestic deposits were invested overseas or kept as reserves. This figure increased to 64.7% in 1969 and has remained above 60% in 1970.

141. It is a reasonable assumption that a fair proportion of the increase in the Bank's private deposits is permanent. On this basis there is scope for the Bank to expand its advances domestically by a substantial amount whilst still keeping well within the legislative requirements of the Bank of Western Samoa's Ordinance that it retain a prudent proportion of its notes and deposits in reserves overseas, as well as maintain a sound advance/deposit ratio.

142. These additional advances, together with the Banks' Term Loan Fund of $220,000 which was established in 1970, are available for credit worthy borrowers with viable projects in the agricultural, industrial, commercial and private housing sectors.

143. Considerable expansion of the Development Branch of the Bank of Western Samoa for agricultural and industrial credit is envisaged by additional government capital subscription of $200,000 in 1971, $200,000 in 1972, and $100,000 in 1973, which would bring the Bank's total capital to $750,000. Further expansion, policy rationalisation, organisational restructure and eventual separation of the Development Branch from the Bank of Western Samoa is being pursued.

144. The government will float a negotiable National Loan of $500,000 in 1971 and $500,000 in 1973 bearing an average rate of interest above the general rate of interest for deposits. In recent years the government has undertaken two National Loans in 1964 and 1969 of $500,000 each. These government loans are a good way to mobilise savings as long as the private capital market is non-competitive. The level of the interest rate as well as the negotiability of the loans will tend to make the capital market more competitive and push up the general level of deposit rate of interest, which is considered to be rather low at around 2-3½%.

145. A policy for encouragement of reinvestment opportunities for private firms, Copra Board, WSTEC and other groups within Western Samoa, and greater opportunities for Samoans to participate in domestic investment should be pursued.

146. A supplemental approach to increased domestic savings is the establishment of a National Provident Fund. The Fiji National Provident Fund, which has only been in operation four years would appear to be an unqualified success. All employers are liable to pay into this Fund 10% in each dollar of wages on which the employer has the right to deduct one-half from the employee. This means that every eight years, the whole of Fiji's annual wage bill will be reinvested in Fiji. After four years of operation the Fiji National Provident Fund already has assets totalling $F11million, all of which is available for reinvestment within that country. All employees will be entitled to a pension or lump sum payment on reaching the age of 55 years irrespective of how many times they have changed employment.

147. It would appear socially desirable to have such a scheme in Western Samoa and further consideration will be given to the possibility of formulating a National Provident Fund for all employees in Western Samoa. The existence of such a Fund would prove an important source of finance for development projects. Experience from many developed countries shows, that such funds play an important role in a country's overall capital accumulation in the private sector.

148. The Scheme of establishing a Provident Fund in 1971 therefore is under active consideration. A sum of $20,000 has been provisionally allocated for this Scheme in 1971.

6-6 Foreign Capital

149. The Second Five Year Plan assumes that there will be a substantial inflow of foreign aid, grants and loans in the public Sector, as indicated in Chapter III — Plan in Outline. Recommendation has been made in this Plan to strengthen the existing arrangement for negotiations relating to external aid and capital.

150. Investment programmes in the Private Sector, as dealt with in Chapters III and VIII, will require considerable foreign capital inflow. Western Samoa comparative advantages give scope for foreign direct investment.

151. The provisions for incentives are fairly generous. In the case of Potlatch Forests Inc., a special investment treatment was accorded. Therefore the climate for foreign investment in the public and private sector in Western Samoa is extremely encouraging

152. Having regard to the demand for capital, as indicated, it is envisaged that the supply of capital, from domestic and external sources, must be increased considerably during the next five years.

6–7 Commonwealth Membership

153. Western Samoa has recently become a full member of the Commonwealth.

154. As the Commonwealth maintains no obligations regarding trade and tariff policies, Western Samoa can continue to act independently. Western Samoa exports receive preferential tariffs from Commonwealth countries. The withdrawal on our part of the Commonwealth import preferences should be considered as stated in the chapter on fiscal policy, preferably retaining the preferential position on our exports.

155. Although Commonwealth membership does not automatically result in trade and aid, Western Samoa experience a *de facto* strengthened position. Further a number of technical assistance services are available at the Commonwealth Secretariat.

6–8 Membership in International Financial Institutions

156. The government will investigate the possible benefits from membership in the International Monetary Fund (IMF). A small reallocation of the country's foreign exchange reserves and a small payment in local currency would give the country access to a number of benefits as a member of the Fund.

157. IMF membership would give access to the drawing rights of the Fund in case of a balance of payment deficit, standby arrangements to assist the implementation of certain development and stabilization programmes, compensatory financing of export fluctuations, Special Drawing Rights to reduce Balance of Payment problems and strengthening of reserves, and finally the utilization of the Fund's consultative functions in the field of monetary and credit policy. Membership would reduce the requirements of keeping overseas reserves.

158. The vulnerability of Western Samoa's externally oriented economy, the increasing financial obligations to service the foreign debt as well as the present capital market situation emphasise the need for membership.

159. The government will also investigate the terms of membership in the World Bank Group in order to benefit from soft loans available from the International Development Association (IDA) for infrastructural purposes and for Private sector loans from the International Finance Corporation (IFC). The World Bank also provides development advisory services. Membership in the World Bank Group would supplement Western Samoa's present membership in the Asian Development Bank.

6–9 South Pacific Regional Co-operation for Specialisation, Import Substitution and Export Promotion

160. With more information becoming available about the development potential of Western Samoa and the neighbouring countries — Fiji, Tonga, American Samoa, Tahiti, New Caledonia, Cook Islands, etc., which have a total population of 1 million people — and about their plan investments and the world demand and supply position in relevant sectors, there will be an attempt to organise, in cooperation with the South Pacific Commission, expert study groups on regional economic integration.

161. In line with the progress of the Western Samoa economy in terms of diversification and increased activity in the secondary sector, a general export promotion programme will be formulated and implemented during the Plan period.

VII LONG TERM PLANNING STUDIES, STATISTICAL BASE AND MACHINERY OF PLANNING.

162. **Long Term Planning Studies:** While for some time to come it may not be technically feasible to make any long term projection of Western Samoa's economic growth and its pattern, it is important to indicate the urgency for and the lines on which long term planning studies should be organised. These studies will give to the planners a greater understanding and capability to make meaningful refinements both in policy and investment magnitudes and patterns in the Second Five Year Plan as it progresses and to take advance action for the Third Five Year Plan. The following are some of the important areas on which studies may be organised:

i) **National Income Studies** recently initiated in the Economic Development Department should be pursued in greater comprehension and depth particularly making use of the data collected in the Surveys undertaken by the Statistics Department, the bench mark surveys of the impact areas of Potlatch Samoa Incorporated, the 1971 Census data etc. There should be some attempt to reassess the relative position of the Subsistence and Monetized sectors of the economy in the light of the impact of the Second Plan investments and policies. Also, an attempt should be made at least to build macro economic norms co-efficients in some selected fields, however tentative they may be.

ii) **Regional Specialisation and Cooperation.** In line with Section 6-9, there should be organised a South Pacific Regional Co-operation group to study possibilities of regional import substitution and export promotion. The Department of Economic Development should take the initiative in preparing Western Samoa's position in this regard. Naturally an important role should be played by the South Pacific Commission in conjunction with the institutions in the United Nation's family and to a certain extent the metropolitan countries concerned.

iii) **Fiscal, Monetary & Trade Policy Framework** for the emerging economic and social development in Western Samoa.

iv) **Balanced Economic Development Study** taking into account the results obtained on the progress of the Special Fund Project on Agricultural Development, Village Development Plans, and the development of infrastructural facilities, social overheads; and the Private Sector in particular.

v) **Orientation of Education** to the emerging needs of the economy;

vi) **Manpower Planning;**

vii) **Socio-economic Foundation** of the economy, comprehending land tenure, incentives, motivation, population planning etc.

viii) **Comprehensive Transport Survey** for domestic air, sea and road transport and external air and sea transport.

163. It would be useful to organise these studies in the Department of Economic Development in cooperation with the government departments and agencies concerned such as Departments of Education, Agriculture, Public Works, Treasury, Statistics, Lands & Survey, the Bank of Western Samoa, and Alafua College. There may be an accredited officer in each of these agencies and a research cell in the Bank of Western Samoa who will collaborate with the officers concerned in the Department of Economic Development. It would be useful to have a compact technical steering committee for long term planning studies with the Director of Economic Development as the Convener. The Committee should include one or two economists like Dr Ian Fairbairn who are conversant with the behaviour of the economy of Western Samoa. The Convener should each year in January submit the annual programme of Studies within the Five Year Plan and the progress report of the last year's work. The programme of studies can be assisted very usefully by U.N.D.P. and South Pacific Commission by arranging for short term consultancy to supplement the existing staff of the Department of Economic Development.

164. For the eight subjects mentioned above, there may be small technical sub groups for which the accredited officers of the Department of Economic Development should function as conveners.

165. **Statistical Base:** To facilitate these planning studies, statistical work should emphasize price indices for various consumer groups, terms of trade statistics, skilled manpower and emigration registration, government revenue and expenditure, reclassification of imports to consumer and investment goods, and a more detailed breakdown in categories, production statistics, consumer statistics, for income elasticity estimates, local market turnover surveys, organisation of 1971 Census Data with appropriate employment classification and education output. The Government Statistician assisted by the United Nations technical staff has initiated work on a number of areas. Urgent action is called for an arrangement of tabulation and processing of the data already collected.

166. **Machinery of Planning.** Department of Economic Development will have to be organised to handle the following planning tasks:

i) Medium term Planning;
ii) Annual Planning and Coordination with the Annual Budget;
iii) Formulation of Village Development Plans;
iv) Progress reporting and followup action for streamlining Plan implementation so that the lesson of experience is not missed;
v) Long Term Planning Studies.

167. As the Second Five Year Plan comprehends economic and social development policies, programmes and projects, the Department should have a unit for Social Development Planning. In the organisation of the Department, an important objective is fast progress towards Samoanisation. While the strength of the planning machinery depends on the quality of its technical competence and judgment, no less does it rest on the political support it receives. Because in the ultimate, planning decisions, have to be taken at the highest political level.

PART II

SECTORS OF DEVELOPMENT

PART II

VIII SECTORS OF DEVELOPMENT

8-1 Agriculture and allied subjects

8-1-1 General

168. The major objectives of agriculture, livestock, fisheries and forestry programmes are to:

- * Increase production and exports in order to improve the Balance of Payments and to the greatest extent possible advance the movement towards a more diversified and viable economy.
- * Increase Samoan participation and accelerate the movement of farmers from subsistence to commercial production.
- * Provide opportunities of self-employment and expanded wage employment in commercial production.
- * Raise farm incomes and improve rural living standards.
- * Expand local food production for subsistence and sale, reduce the demand for imports, improve the people's diet and keep food prices at a reasonable level.
- * Encourage adoption of sound agricultural practices, both to improve productivity and to ensure the best use of agricultural resources.
- * Establish in the longer term a fully integrated agriculture, livestock, fisheries and forestry industry by the development of industrial enterprises for processing of local raw materials.

169. Since the agricultural sector employs some 22,000 (1966) or 71 percent of total active population, of which 20,000 are in village agriculture and 2,000 in other agriculture, it is evident that the agricultural sector is the basic foundation for Samoa's economic development.

170. Total land resources, ownership structure and disposition of land is presented in the following tables:

Table: **XI Ownership Structure of Land Holdings in Western Samoa**

	Acres	Percentage
Customary Land	563,120	80.6
Government Land	78,360	11.2
W.S.T.E.C.	31,360	4.5
Privately owned	26,240	3.7
Total Area	699,080	100.0
Less Inland Water Bodies	840	
Total Land Area	698,240	

Table XII Disposition of Land (acres)

	Productive Village Land	Commercial Plantations	Planned Settlements	Urban	Other	Sub-Total	Forests and Lava Fields	Total Land
Upolu	68,000	21,950	1,020	4,730	1,850	97,550	178,650	276,200
Savai'i	56,230	1,600	—	—	580	58,410	363,630	422,040
Western Samoa	124,230	23,550	1,020	4,730	2,430	155,960	542,280	698,240

171. The tables emphasis that there is great scope for increased agricultural production through clearing and cultivation. Productive land of the three main crops is estimated at 55,000 acres coconut, 12,000 acres cocoa and 3,000 acres bananas.

172. With more information becoming available, through intensified research, regarding economic and other benefits from alternative land use allocation to crops, horticulture, livestock, forestry, urban and other land requirements, steps must be taken towards establishment of an optimum land use and crop-pattern through village development plans with the major implementation role assigned to matai and aiga. This requires establishment of a Land Use Board with authority in land use policy and legislation.

173. **Agricultural cost-benefit** analyses have been made indicating that two of the main traditional crops — copra and cocoa — represent low return on existing land, labour and capital resources. This emphasises the need for more efficient use of land resources through introduction of alternative superior crops with emphasis on processed agricuitural consumer goods. The agricultural cost-benefit analyses, recently initiated by the Department of Economic Development will be pursued especially as regards new crops.

174. A UNDP/FAO Special Agricultural Fund Project commenced operation in 1970 to provide assistance in agriculture development by establishment pilot production schemes and developing water resources. The three-year project 1970-1972 which may extend to 1975 has the following aims:

i) To investigate on a pilot scale, but under natural farming conditions, the agricultural development potential of the islands of Savai'i and Upolu;

ii) To initiate a programme for water development in the inland regions of the two islands;

And by the following means:

i) To select two sample areas of government land, one on each of the main islands, for the establishment of pilot schemes, integrated with the social structure;

ii) To take aerial photographs for land survey and land registration;

iii) To undertake economic soil and vegetation studies, to assess the present status and future agricultural and livestock potential;

(iv) To investigate in detail the water resource potential of the inland regions;

(v) To introduce actual production schemes based on findings of (i)-(iv) for ascertaining optimum crop pattern and livestock integration into the farm system;

(vi) To increase production of protein to help correct the present carbo-hydrate imbalance in the food supply;

(vii) To study extension service and food processing;

(viii) To carry out economic feasibility studies and export marketing studies in general.

175. The total cost of the project is US$1,256,100 of which the Western Samoa Government counterpart contribution is US$ 443,100. While the success of the project depends upon its implementation and the competence of the staff, it is envisaged that the project will serve as the basic foundation for achieving the objectives of future agricultural development in Western Samoa.

176. There is need and scope for investigation of the potential of Western Samoa Trust Estates Corporation (W.S.T.E.C.) being a government corporation. It can serve as a dynamic nucleus and spearhead for agricultural and industrial development having in view the large land holdings of 31,360 acres, which are not subject to many of the production and financial restraints found in customary lands. W.S.T.E.C. should intensify beef-cattle farming and initiate intensified cultivation of new crops such as guava, lime, pineapples, peanuts etc. This is particularly important in view of the extremely low return on capital experienced by W.S.T.E.C. in recent years. There is also scope for increased soap production.

177. Only a minor part of the 78,360 acres government land is in productive use. Leasing of this government land for agricultural production to private farmers and corporations will in future serve as a stimulus and incentive and even to some extent a precondition for achieving the objectives set for agricultural development.

178. Agricultural development will require establishment of separate marketing boards for export commodities, similar to the existing Copra Board, to benefit from price stabilisation arrangements, lower marketing costs, improved export marketing efficiency and higher prices to farmers resulting from centralised export. While individual authority can still be retained through separate commodity boards, it is envisaged that a general secretariat for handling all agricultural export products is desirable. This involves a reorientation of the Produce Marketing Division.

179. An agricultural resettlement scheme should be formulated for implementation in 1973.

180. Integrated and coordinated with the UNDP/FAO Special Agricultural Fund Project, research is to be done in the following fields at the South Pacific Regional College of Tropical Agriculture, Alafua:

(i) Soil and soil management;

(ii) Crop protection research;

(iii) Banana nutrition leaf-spot;

(iv) Weed control research;

(v) Economic research to find ways and means to increase yield and income and to reduce cost.

8–1–2 Crops and Horticulture

Copra

181. Coconut growing has had a long tradition in the Samoan economy and culture, being the major source of income and foreign exchange earnings. Presently 55,000 acres of coconut are in full production of which the majority of the trees are more than 60 years old with low and declining yield. Replanting is necessary in order to increase yield. The potential land suitable for coconut planting is 97,000 acres (A.C.S. Wright 1956). Since 36,000 acres were planted and replanted during the First Development Programme Period some 61,000 acres remain to be planted and replanted in 1971-1975. This gives an annual target of 12,200 acres which will be part of village Development Plans, as indicated elsewhere. This target seems reasonable in view of the experience gained in the First Development Programme.

182. The total cost of the planting scheme for the 61,000 acres is $677,000 or an average of $11 per acre for cash subsidy, fertiliser, planting material, staffing for demonstration and control. The scheme is associated with demonstration and control of improved clearing, weeding, thinning, fertiliser utilisation etc, in order to increase yield. Allowance has also been made for introduction of 80 hot-air driers to increase income in the villages.

183. Having regard to the coconut replanting scheme, the export projection in Table XIII on the next page is presented based upon a low estimate of 5 cwt/acre/year from year 7 increasing to 10 cwt/acre/year from year 12 and a high estimate of 15 cwt/acre/year from year 15. Allowance has also been made for a declining growth in local consumption from 3 per cent to 1 per cent per year, due to increased preference and availability of other food locally produced. The projection is based upon an average export price of $125 per ton.

184. The projection indicates that significant effects upon income and balance of trade will occur in the 1980s. The total scheme will create additional employment opportunities for 3,360 people when trees are in full production, assuming 20 man-days per acre per year.

185. Increased attention will be paid to the possibility of processing coconuts and by-products to the highest possible degree on a private industry basis. This includes coconut oil, dessicated coconut, flour and syrup, fibre, charcoal and particle board from the coconut trunk. A UNIDO team has been requested to look into the feasibility of processing these products, which, if feasible, will give increased value added, foreign exchange and employment in Western Samoa. The feasibility study should be completed in 1971. The Copra Board and the Government will promote and support the development of these processing industries on a private enterprise basis.

186. Continued research into stick-insect pest will be made. Rhinoceros beetle damage research through UNDP/FAO/South Pacific Commission Special Project, Apia, will also be continued.

187. It is envisaged that the Copra Board should support the coconut planting scheme financially by 50 percent of the costs involved.

Table XIII COPRA EXPORT PROJECTION 1970-1990

	High Estimate		Low Estimate	
	Tons (000)	Value ($million)	Tons (000)	Value ($million)
1966*	14	1.6	14	1.6
1967*	7	.9	7	.9
1968*	13	1.9	13	1.9
1969*	15	1.8	15	1.8
1970	13	1.7	13	1.7
1971	13	1.7	13	1.7
1972	13	1.7	13	1.7
1973	14	1.7	14	1.7
1974	15	1.9	15	1.9
1975	16	2.0	16	2.0
1976	16	2.0	16	2.0
1977	19	2.4	19	2.4
1978	22	2.8	22	2.8
1979	27	3.4	27	3.4
1980	33	4.1	32	4.0
1981	41	5.1	38	4.8
1982	48	6.8	44	5.5
1983	53	6.6	47	5.9
1984	58	7.3	50	6.3
1985	63	7.9	51	6.4
1986	67	8.4	53	6.6
1987	71	8.9	53	6.6
1988	74	9.3	53	6.6
1989	76	9.5	53	6.6
from 1990	78	9.8	53	6.6

* actual figures

Cocoa

188. Some 120 acres of high quality yielding cocoa, Lafi 7, were planted in the First Development Programme at a cost of $42,000 compared with a target of 240 acres. The project's objective was a step forward towards more intensive agriculture with a systematic introduction of improved husbandry practice. The project however, met with considerable technical difficulties in the propagative process.

189. In order to increase production, income and export the cocoa planting scheme will be continued with yearly planting targets of high yielding Lafi 7 cuttings propagated at Nafanua nurseries as follows:

1971	80 acres
1972	100 acres
1973	120 acres
1974	150 acres
1975	150 acres
TOTAL	600 acres

190. The total cost of the planting scheme is $72,400 or approximately $120 per acre consisting of wages for nursery and extension staff, fertilisers, chemicals and cash subsidy.

191. It is estimated that presently 12,000 acres of cocoa are in full production. Assuming 5 cwt per acre from existing old plantations, and 4 cwt for new trees from year to 3-11, total export is projected as follows:

Table XIV Exports of Cocoa 1969-75

	Tons	$(000) *)
1969	3,017	1,808 (actual)
1970	3,000	1,380
1971	3,012	1,386
1972	3,024	1,391
1973	3,040	1,398
1974	3,056	1,406
1975	3,076	1,414

*) at $460 per ton (average export price 1965–69)

192. Export from the planting scheme will gradually increase from 12 tons in 1971 100 tons in 1976 to 600 tons from 1987 assuming high yield of 15cwt per acre from year 12 and 400 tons from 1987 assuming low yield of 10cwt per acre from year 12. The scheme is estimated to create employment opportunities for 120. Since cocoa represents a low return on land and capital resources, it is contemplated to expand future cocoa growing within reasonable limits.

193. Allowance has been made for the establishment of 20 hot-air driers per year to increase quality from presently sun-dried cocoa and thus to increase income in the villages.

194. The establishment of a Cocoa Board with functions similar to the Copra Board is envisaged during the Second Development Plan period. This will increase and stabilise farmers' income. It is contemplated that a centralisation of all agricultural export marketing functions is desirable, while operational authority still could be retained through separate Commodity Boards.

Bananas

195. The country's banana industry experienced its best year in 1958 when exports reached 884,555 cases. During the 1960s, ravages of disease caused a marked dimin-

ishing export level, abetted by a severe 1966 hurricane, which almost brought the industry to a standstill. Clearly an all-out effort to rehabilitate was imperative. The target of planting 400 acres annually in the First Development Programme was exceeded by approximately 200 acres annually and presently 3-4,000 acres are producing exportable bananas. However, experience has shown that yield per acre is still low. This could have been remedied by a more stringent allocation of acreages to growers and more adequate supply of chemicals, fertilisers, disease and pest control, etc. Close to $450,000 has been spent in the First Five Year Programme for fertiliser, chemicals, tools, etc. of which only a minor part has been recovered.

196. It is contemplated that the Government policy in respect of the banana industry will be adjusted so as to expand production up to the export market capacity, which the Government will continuously try to increase. The export market is the limiting factor for increased banana production.

197. It is estimated that 4,000 acres of bananas will be in full production in 1971. With an average life cycle of a banana plant of 5 years and a yearly target for new plantings and/or replanting of 700 acres, a constant acreage of 4,000 in banana is envisaged, when allowance also is made for some planting and replanting without government assistance. Having regard to local consumption, increased productivity by increased use of fertiliser, weedicides, etc., and reduced leaf-spot disease, 150 cases per acre per year should be available for export, which would give a total constant yearly export volume of 600,000 cases. At a price of $2.75 per case, this is equal to a yearly export value of $1,650,000. This would favourably affect the balance of payments and represent employment opportunities for 880 annually, assuming 50 man-days per acre per year.

198. The total market in New Zealand is a round 1.1million cases per year. It therefore appears that the banana production cannot expand further unless other markets are found. This still leaves the banana industry below the level reached in years 1958 (export of 885,000 cases) 1959, 1962, 1963 and 1964 when Western Samoa was not faced with the prevailing competitive banana market situation in New Zealand.

The banana market problem might even be further accentuated if and when United Kingdom joins the European Common Market (EEC) since New Zealand then might be forced to change her trade pattern in favour of other banana exporting countries.

199. To support the banana industry with a yearly target for new plantings of 700 acres and existing plantations, incentives shemes will be introduced, where fertilisers, weedicides, chemicals, tools, equipment, etc. will be made available to farmers at cost with credit of 12 months for existing, and 24 months for new plantations. The annual requirements for this incentives scheme is $187,316. Since the scheme is a revolving fund, it would be sufficient to allow only for an average finance requirement of 1½ year (in 1971 — $187,316 and $93,658 in 1972) whereafter the Fund becomes self repleneshing. This scheme should be financed by overseas supplier credit of 1½ year. Apart from administrative costs occurring in the Produce Marketing Division and provision for a minor reserve stock in the 1971 budget, no costs will therefore occur to the Government.

200. Continued research will be made into leaf-spot disease and fertiliser application in order to find ways and means to increase yield and quality.

201. In line with the development of the timber industry maximum efforts should be made to eliminate importation of banana cases from New Zealand which in 1969 amounted to $126,443 or some 20% of the total banana export value.

Quarantine Facilities

202. In line with the increasing importation of new species, plants and trees for diversification, quarantine facilities will be introduced in 1971 to avoid spreading diseases and pests.

Mechanisation

203. To meet increased demand from farmers for small-scale agricultural machinery for improved production through clearing and cultivation, government will make available for lease at cost small machines and tools through an equipment pool

Small Crops

204. In the First Five Year Development Programme some $22,500 has been spent to develop and sell to farmers a wide range of seedlings and cuttings for crops and vegetables, fruit crops, spices, rootcrops and ornamental flora for diversification, import substitution and export.

2. The major objectives of the project are:
  i) to continue importation of new varieties;
  ii) to make available seeds and planting materials to growers;
  iii) to investigate and initiate supply of raw materials for canneries;
  iv) to study cost of production and production potential.

3. The project is continued in the Second Five Year Plan with a budget of $40,000 with particular emphasis on:
  i) guava;
  ii) lime;
  iii) pineapple;
  iv) peanuts;

for canning and export. Other crops subject to intensified cultivation are onions, beans, cucumbers, cabbage, tobacco, tomatoes, melons, passionfruit, mango, lemon and other citrus, avocados, ginger, pepper, macademia nuts, kumara, orchids and other high value flowers.

205. It is envisaged that agricultural development in Western Samoa will concentrate on processed agricultural consummer goods, through expansion of canning and other industries, stimulated by research at the Food Processing Laboratory. This will closely be integrated with an export promotion programme.

8-1-3 Livestock

Beef Cattle and Dairy

206. In Western Samoa there are areas of land better suited to pastoral farming than to any other type of agriculture, but at the present time there is inadequate water supply. (A.C.S. Wright 1963).

207. Total number of beef cattle in Western Samoa is estimated at 20-25,000 head or some 20,000-30,000 acres of which WSTEC's share is estimated at 40 percent, mainly kept in coconut plantations.

208. Soils suitable for pastoral farming are estimated at 100,000 to 130,000 acres, mainly located at uncultivated areas at high elevations which, to some extent, do not compete with agricultural land use.

209. During 1962-1968 import of meat accounted for 6-12 percent of total import $330,000-$700,000 and dairy products 2.5-4 percent of total import ($175,000-$235,000).

210. For these reasons, there is scope for substantial expansion of the beef cattle industry for import substitution and increased utilisation of existing land resources.

211. An expansion of the beef cattle industry, however, will require considerable research into pasture development, farming technique, and livestock husbandry as well as demonstration and training.

212. In the Second Five Year Plan, continuation of the existing beef cattle project and expansion of an additional beef cattle project assited by UNDP/FAO and Asian Development Bank is envisaged with the following aims:

i) To establish a nucleus beef breeding herd;

ii) To demonstrate modern beef cattle breeding and farm management practices and to evaluate the profitability of land development techniques and various farm management systems;

iii) To conduct research into fertilisers, pastures and related husbandry matters with a view to establishing basic economic and management data to allow for wider expansion of beef cattle farming in Western Samoa along the most economic lines;

iv) To provide training facilities for farmers.

213. Having regard to the potential land available for beef cattle and to the objective of complete meat import substitution by 1975, an expansion of the beef cattle project is envisaged. A working group should therefore be established to formulate an additional project for expansion of the beef cattle industry with rapid and perceptible impact upon the economy.

214. The development of the livestock industry will require upgrading of existing slaughtering facilities and the possible introduction of refrigerated transport facilities.

215. The dairy industry is still in its infancy. Formulation of programmes for its upgrading and expansion should be made in 1971.

216. Targets for the two projects are as follows:

Table XV Beef Cattle Development

	1970	1971	1972	1973	1974	1975	1971 1975
A. No. of acres for Beef cattle							
i) Existing beef cattle project x)	170	170	170	170	170	170	
ii) UNDP/FAO-ADB project xx)	—	200	400	600	1000	1000	
iii) Total acreage (i + ii)	170	370	570	770	1170	1170	
B. Total Number of Heads: Cows, Heifers, Calves and Bulls							
i) Existing beef cattle project	130	165	215	275	345	470	
ii) UNDP/FAO-ADB project	—	290	730	1300	1810	2070	
iii) Total number of Heads (i + ii)	130	455	945	1575	2155	2540	
C. Number of Heifers and Cows for Sale.							
i) Existing beef cattle project	—	—	10	10	20	60	100
ii) UNDP/FAO-ADB project	—	—	—	80	150	230	460
iii) Total number of heads for sale (i + ii)	—	—	10	90	170	290	560
D. Number of Bulls and Steers for sale.							
i) Existing beef cattle project	15	15	15	20	25	30	120
ii) UNDP/FAO-ADB project	—	—	90	150	230	280	750
iii) Total number of head for sale (i + ii)	15	15	105	170	255	310	870

x) Vaea and Lemafa farms
xx) Togitogiga Block

Pig and Poultry

217. A pig and poultry project commenced in January 1970 and four up-grading centres have been established with the objective of

- i) demonstrating a management technique suited to the villages;
- ii) cross-breeding village stock with improved strains;
- iii) determining the most suitable breeds of pigs as well as chickens.

218. Target for pig and poultry is as follows:

	1971	1972	1973	1974	1975
1) **Annual sale of chicks**	10,000	10,000	15.000	26.250	52.500
2) **Annual sale of weaners**	200	230	265	305	351

219. A programme should be formulated in 1971 for expansion of these projects, particularly for pigs, to achieve more rapid and perceptible impact upon village agriculture through Village Development Plans.

Research and Veterinary Service

220. In line with the growing livestock sector, veterinary service development will be intensified at Alafua College to meet the need for livestock disease research, legislation for control and eradication programmes, and introduction of quarantine facilities.

221. To meet the increasing demands being made from the livestock section a research project will be initiated 1971 into animal nutrition with special emphasis on cheap fodder and feed in particular use of hybrid maize and soyabeans. Until research results become available, approach should be made to the United States Government for aid from PL480 for hybrid maize and soyabeans.

8-1-4 Forestry

222. Forest resources in Western Samoa have never been fully exploited on a commercial basis. According to A.C.S. Wright[x]), a total of 553,000 acres or 79 percent of the total land is presently made up of natural forest and lava fields of which 490,000 acres are customary land, 43,000 acres government land, and 20,000 acres other land. Only half of the 553,000 acres is accessable for logging. There is scope for commercial utilisation of existing resources and for introduction of exotic species for silvicultural development.

223. The Forestry Act 1967 and the establishment of a Forestry Division in 1967 introduced the institutional framework for forest development in Western Samoa. Having regard to increased local consumption, to export markets and to economic benefits from forestry in general compared with those from agriculture use of land and to the minimum forest requirements for preventing water flooding and soil erosion, continued and intensified research still has to be done on determining land requirements to be devoted to forestry.

224. The targets indicate that a substantial expansion of output, import substitution and export will take place from 1971. Note should be taken that export and import figures only indicate gross effect upon Balance of Payments. Employment in the forestry sector is estimated at 25 in 1969 rising to 200 in 1971, 225 in 1972, 250 in 1973, 275 in 1974 and 300 in 1975.

225. The American timbermill subsidiary, Potlatch Samoa Incorporated at Asau in Savai'i, which commenced operation late 1970 will add new dimensions to the Samoan economy from the investment of around $US 3million, output of 8 million super feet in 1971, and a minimum of 15 million super feet from 1972, employing 110 in 1971 and 160 from 1972.

[x]) *A.C.S. Wright: Soils and Land Use of Western Samoa* 1963.

226. Target for demand and supply of forest products, in volume and value in constant factor prices, is indicated in the table below.

Table XVI Demand and Supply of Forestry Products.

	1970	1971	1972	1973	1974	1975	1971 1975
1. Volume (mill super feet sawn timber)							
Demand							
i) Local consumption	2.9	3.0	3.5	4.0	4.5	5.0	20.0
ii) Export	—	8.8	15.1	15.4	15.7	16.0	71.0
Supply							
i) Local Output	0.9	10.0	17.0	18.0	19.0	20.0	84.0
ii) Import	2.0	1.8	1.6	1.4	1.2	1.0	7.0
2. Value *) mill $ (constant factor prices)							
Demand							
i) Local consumption	0.553	0.564	0.643	0.722	0.801	0.880	3.610
ii) Export	—	1.496	2.567	2.618	2.669	2.720	12.070
Supply							
i) Local Output	0.153	1.700	2.890	3.060	3.230	3.400	14.280
ii) Import	0.400	0.360	0.320	0.280	0.240	0.200	1.400

*) Export prices assessed at $17/100 super feet (f.o.b.)
Import prices assessed at $20/100 super feet (c.i.f.)
Local output prices (ex-factory) assessed at $17/100 super feet

227. The Potlatch master agreement which includes royalty of 2 sene per cubic foot to landowners and 1 sene per cubic foot to government or a total of $73,100 per year is due for renewal and revision in five year intervals.

228. The net effect upon Balance of Payments from Potlatch is anticipated to be low. Although further studies are required to determine the economic impact of Potlatch, the desirability of reinvestment and maximum value added is envisaged.

229. The Lelata sawmill in Savai'i will require additional investment of $175,000 to increase capacity from 15,000 cubic feet to 200,000 cubic feet per year. Apart from New Samoa Industries Limited, which commenced operation in 1970 on Upolu at an estimated production of 1-1.5 million super feet annually, there is scope for promotion of another sawmill of similar size in Upolu during the Plan period.

230. Potential investment opportunity of $400,000 for development of a particle board industry based upon coconut trunks with daily capacity of 20 tons board is also envisaged.

231. With the general development of the timber industry, areas now forested and not required for agricultural development, are likely to be as valueless as the existing severely wind-damaged forests unless they can be rehabilitated by forest regeneration.

232. In the Forest Act 1967, the government subscribes to a forest policy of sustained yield where the government is required to arrange for the rehabilitation or regeneration of sufficient areas worked for timber or damaged by wind to ensure that a timber crop can always be harvested. To attain this objective a considerable amount of research is required into the growing of trees and the kind of trees which should be grown in relation to costs and prices at local and overseas markets. Since the indigenous forest does not re-establish itself readily, though certain of these species are amenable to cultivation, the immediate introduction and testing of exotic species in representative environment is an urgent necessity. The problem is accentuated by Potlatch cutting of 1,250 acres annually from 1971 in the Asau area, although part of the felled land is to be devoted to agricultural use.

233. For these reasons, a pre-investment survey and programme of forest research, regeneration and reafforestation at a total cost of $200,000 is initiated in 1971 with the aim of:

(i) Establishing a research programme which will investigate the most suitable regeneration and improvement techniques for Western Samoa with special consideration to
   (a) exploited low and tropical evergreen forests;
   (b) severely wind damaged low land tropical evergreen forests;
   (c) currently inexploitable mountain evergreen rain forests;
(ii) Preparing forest nurseries and determine the most suitable techniques for rearing planting stocks;
(iii) Commencement of a pilot reafforestation scheme in areas logged by Potlatch in the Asau area. This scheme will commence and progress at the following rate

1973	100 acres
1974	500 acres
1975	1,000 acres

A minimum of 10,000 acres of reafforestation work must be carried out during the next 10 years to provide for further needs.

234. A forest research, regeneration and reafforestation programme for teak, mahogany and mixed indigenous hardwood along these lines will provide valuable information and basis for silvicultural development, a need which will be accentuated when pressure on land resources become more and more acute in line with the population growth and increased agricultural cultivation.

235. Development of the forest industry emphasises the need for a land use policy, particularly for logged areas, by establishment of a Land Use Board to achieve maximum benefit from existing land resources. This should be solved by extending the functions of the existing Land Board.

236. A study is required to look into the feasibility of establishing an electricity intensive pulp and paper industry complex based upon fast growing tree species. Such

a project might benefit from improved ferry transportation facilities between Upolu and Savai'i, possibly justifying early establishment of the Vaipu Hydro Power Scheme on Upolu.

8–1–5 Fisheries

Culturally fishing reflects a long tradition in the Samoan way of life. Commercially, however, the existing fish resources have never been fully utilised.

237There exist large resources of fish in the waters around Western Samoa. It is reliably estimated that a Skip-jack Tuna catch of upwards of 150,000 tons can be obtained from the Pacific Ocean in waters around Hawaii and the Samoa Islands each year without depletion of the skip-jack tuna stock. There are in addition resources of crayfish, shrimps, oysters, turtles and bottom fish.

238. Having regard to the large fish resources — to the annual import of fish amounting to an average of 4-6% of total imports (in 1969 $330,000) - to the low, almost negligible local catch estimated at 370 cwt in 1970, — to the protein-calorie deficiency especially among children — and to the low investment cost in the fisheries sector, — it is evident that the development of a fisheries sector will contribute significantly to the economy in terms of consumption, export and substantial employment for some of the 90% of the people of Western Samoa, who live on its narrow coastal shelf, within sight and sound of the sea. Reduction of the population drift to urban centres is also envisaged.

239. Targets for demand and supply of fish are presented in the following table, which excludes increased productivity resulting from "Fishermen Training School" refered to in the following paragraph.

Table XVII Demand and Supply of Fish

	1970	1971	1972	1973	1974	1975	1971 1975
1. Volume: 1000 cwt.							
Demand							
i) Local consumption	23.4	26.0	28.2	30.2	32.4	34.7	151.5
ii) Export	-	—	—	-	4.6	12.3	16.9
Supply							
i) Local catch	0.4	5.5	14.0	29.0	36.0	46.0	130.5
ii) Import	23.0	20.5	14.2	1.2	1.0	1.0	37.9
2. Value: (000$) *) at constant factor prices							
Demand							
i) Local consumption	324	334	322	277	255	206	1394
ii) Export	—	—			82	220	302
Supply							
i) Local catch	4	49	125	260	323	412	1169
ii) Import	320	285	197	17	14	14	527

**) prices are assessed at 16 sene per lb for export, 8 sene per lb for local catch, 12.4 sene per lb for import and local consumption. All figures indicate cost prices*

240. There will be almost complete substitution in 1974 from which year net export may commence, possible even earlier. The fisheries sector will make a positive net contribution to the balance of payments in 1974. Although local consumption will increase due to population increase, lower prices and higher preference for fish, the total consumer outlay will decrease because expensive imported fish will be substituted by cheaper local catch. The price level will be favourably affected and disposable income for other goods and services will increase.

241. The fisheries sector presently employs around 500 fishermen. Employment opportunities are estimated to increase to 2000 in 1971, 4000 in 1972, 6000 in 1973, 6000 in 1974 and 4000 from 1975. No major deployment from other productive activities is anticipated.

242. The development of a fisheries sector along these lines requires considerable training and demonstration. For this purpose "Village Fishermen Associations" have been introduced, whereby interested villages undertake to build their own deep sea fishing catamaran following traditional ancient Polynesian giant-catamaran design. The Fisheries Division in the Department of Agriculture trains two members of the association in engine repair and maintenance and equips each boat with 2 outboard motors, ice-boxes, a shore ice-silo unit and a variety of fishing gear. Each association is given a two month trial period at the end of which—

i The association either begins to repay the cost of equipment out of the fishing profit or

ii The equipment is withdrawn and issued to other embryonic associations.

243. However, with 44 associations presently registered, 68 associations waiting and a total potential of 160-480 associations, each with an average of 23 Fishermen per association and the limited training capacity in the Fisheries Division, it may well take 20 years at the present rate of development to cater for this immediate need. Therefore the only practical method of combating this lengthy village by village process is by forming a centralised "Fisherman's Training — Equipment Pool" project with the aim of

i training 1,000 subsistence fishermen per year over a five year period in modern long shore fishing techniques and methods

ii equipping, maintaining and operating small coastal water survey groups

iii developing several suitable small craft designs based on traditional Polynesian concepts and to create small boatyards to produce such crafts

iv developing techniques of manufacturing pearl-shell lures using modern tools

v promoting simple village workshops for manufacture and repair of simple fishing equipment and engines.

244. The project which may prove feasible to continue as training centre for other Pacific Islands, has been lodged with FAO/Freedom From Hunger Campaign with an estimated total cost of US$ 1.1million and a total Western Samoa Government counterpart contribution of US$276,000. If approved the project may commence 1972-73.

245. The benefits of the project would be reflected in increased productivity of 5,000 fishermen. It is conservatively estimated that by the end of the 5 year training period, productivity will increase to the extent that local catch will amount to 420,000 cwt compared with an estimated catch of 46,000 cwt before training at the school, as indicated in the previous paragraph. Having regard to increased local consumption and assuming an export price of $17.92 per cwt, this would represent an export value of $6.8mill.

246. The development of a fisheries sector will require some private investment in canneries, since canned fish is often a precondition for export marketing as well as domestic marketing outside Apia due to absence of ice and regfrigerator facilities in the villages. However, the development of ice-silos in the villages, as mentioned below, will to some extent reduce the need for canning. The existing Food Processing Laboratory at Alafua College will provide advisory assistance to canneries in the field of fish processing.

247. Sufficient credit from the Development Bank and Bank of Western Samoa to Village Fishermen Associations as well as canneries is a precondition for development of a fisheries sector.

248. There exist in Western Samoa good stocks of crayfish (Spiny Rock Lobste The existence of these resources justify exploitation for commercial export wh overseas markets are readily available at high prices. Proper fishing techniqu should be demonstrated by the Fisheries Division and the harmful practice of spearing crayfish will be an offence under the new Fisheries Act.

249. A survey project should be initiated 1971 to identify the resources of local shrimps which are highly valued ~~in~~ export markets.

250. In order to ensure that the public is offered fresh and clean fish, an improvement of the sanitary conditions of the Apia fish market will take place in 1971. Ice silos will be introduced and developed in the villages for storage of fish, supplied by an additional chip-ice-machine in Apia. In addition there will be need for refrigerated transportation facilities.

251. A technical upgrading of the Fisheries Division is envisaged in 1971 to ensure that an adequate institutional framework is available for development of the fisheries sector for demonstration, training, supervision and coordination.

252. A fisheries research project will be initiated in 1973, staffed with a marine biologist, to meet the need for fisheries research accrued from the development of this sector. In particular research will be made into feasibility of fish-farming (aquaculture) of oysters, which are highly valued in the export markets and which do not require protein feed which normally is the limiting factor in fish farming. Research will also be made into crown of thorn (starfish) damage and into turtle farming.

253. In earlier times, fresh turtle meat formed a significant proportion of Samoan diet, as it did for many Pacific Islanders. However turtles, once plentiful, have diminished to a level bordering extinction. Unless this situation is corrected within the next 10 years, edible marine turtles will have vanished from Samoan waters. A turtle conservation project and research will be initiated in 1971 with the aim of hatching, in concrete yards 5,000 turtle eggs initially to eliminate the high mortality rate of 94% for turtle eggs during the first 2 days. Although further investigations and research still has to be made on ecological factors, it is anticipated that turtle farming after 5-10 years has the potential of producing a major export item of Western Samoa.

254. In order to develop and support tuna fishing a prototype ferro-concrete tuna fishing boat is being built by Trades Training Institute. When the prototype boat has been built, private boatbuilding in this field should be supported and encouraged. This may develop into an export industry.

8-2 Commerce and Industry

Commerce.

255. The commercial sector of Western Samoa emerged from the early trading system. Today a few big firms, owned by local businessmen and overseas companies are operating. The activities of these firms are of an integrated nature, comprising such diversified activities as wholesaling and retailing of imported and local goods, insurance, transport, export, garage-repair facilities, carpentry-workshops, storage etc.

256. Small trading stations are spread over the country, partly owned by the big Apia-based trading firms and partly by local small retail traders, whose supplies of merchandise are drawn from the big firms. Deliveries to these trading stations take place by the big firms' transport fleet.

257. The dominance of the big firms is almost completely due to two factors: the limited availability of credit and of local managerial and administrative talent. The small traders today are largely dependent on the big firms for credit.

258. The buying public does not seem to be very price-conscious, thus leaving only limited opportunity for bringing down the price level by competition. Furthermore the public's appreciation for nearby location and facilities for consumers and wholesale credit, may be considered more important.

259. Government policies do affect business in several ways, amongst others the land tenure policy, town planning, transport policy, customs policy, income taxes, the policy of the price control board, export promotion and import substitution.

260. It is recommended that policies be adopted to support the commercial sector in order to give fair results to business and satisfaction to consumers.

Industry.

261. The significance of industry in the economy has grown during the first Development Programme period. Developments took place with and without the supporting arrangements provided by the Enterprices Incentives Act. Industry today includes a wide range of activities such as bakery, furniture, canning of fruits, soft drinks, timber logging and milling, ice cream, biscuits, soap, garments and handicrafts

262. In recent years the range of products exported has widened significantly, comprising articles like apparel, ice cream, biscuits, beverages, timber and soap.

283. Government policies have assisted and will continue to assist the further development of industry. Investment by foreign investors are welcomed, after assessment of the prospective benefits to the country in respect of income, employment, training etc.

264. The start and expansion of industrial undertakings by Samoans is of major importance. The results of technical research, such as those carried out in the Department of Economic Development and to be undertaken by the Development Bank in its function of investment promotion agency, will greatly assist local industry. Advisory services will also be important to the entrepreneur. This cooperation between government and the organised business community will bring about a favourable business climate. Arrangements for export credit are envisaged.

265. A number of investigations and feasibility studies in respect of possible new industries should be undertaken such as tobacco/cigarettes, tannery/shoemaking, canning of fish, beef and fruits like guava, lime and pineapple, ferro-concrete boat building, strengthening of the handicrafts industry etc. The Department of Economic Development, in cooperation with agencies concerned is taking the initiative in a programme of export promotion and in market and other analytical studies.

8–3 Tourism

266. The objectives in the tourist sector are to:

- * Increase the number of visitor arrivals, expenditure and length of stay;
- * Encourage local and overseas investment in hotel and visitor support facilities;
- * Promote, advertise and market Western Samoa's attractions overseas;
- * Provide opportunities for local participation in the tourist industry, training and employment, the supply of goods and services and shareholding;
- * Introduce legislative and institutional measures which may become necessary for the orderly development of Tourism;
- * Ensure that Samoan social structure and tourism co-exist successfully;
- * Develop facilities for the needs, interest and enjoyment of the tourist.

267. During the First Year Programme Period a total of around 75 new hotel-rooms were added to the 60 rooms existing in 1965, including expansion of Aggie Grey's Hotel, establishment of Apian Way and Samoa-Hideway at Mulivai. There are about 240 beds available to visitors of which 180 are at Aggie's. The number of tourists increased from 7,940 visitors in 1965 to 14,584 in 1969. The growth of the tourist industry has played a major role in efforts to diversity Western Samoa's economy.

268. A policy of controlled Tourism is being pursued in which a reasonable number of international class hotel rooms are available for the type of exclusive tourist who have been visiting Western Samoa over the past few years.

269. The target for additional hotel accommodation in the Second Five Year Plan is 300 new rooms in Upolu and Savaii added to the present total of 135 rooms. An agreement between the government and a foreign investor has recently been concluded for the erection in 1971 of a 100 room $1.5million hotel at Taumesina near Apia. The proposed high standard hotel may expand in future. It will utilise 60 acres of land most of which is now swamp and lagoon, which will have to be reclaimed.

270. In addition government is pursuing negotiations with Travelodge of Australia for erection of a 100-room hotel in the Apia area. Negotiations with other investors are also being pursued.

271. As regards Savaii, the need for establishment of as hotel in Asau is envisaged.

272. During the Second Five Year Plan period, tourist numbers are expected to rise significantly from around 18,000 in 1970 to 40,000 by 1975. In 1970 tourist spending is estimated at $1 million. By 1975 it is estimated that this amount wil rise to $3million. It is recognized that tourist expenditure at the preesnt time has a high import component. However as the economy develops in terms of import substitution and diversification, the net economic benefits from tourism will increase.

273. Government will undertake a programme of promotion and advertising of Western Samoa as a visitor destination area. Access improvements, will be made to enable tourists to get to various places of cultural, historic, recreational and scenic interest.

274. It is envisaged that Tourism will be stimulated by improved air, sea and road transportation facilities within and between the two islands, Upolu and Savaii. The upgrading and expansion of Faleolo Airport and the Faleolo-Apia airport road will be completed by 1972. This will enable Faleolo Airport to handle 100,000lbs aircraft types such as BAC111/475 and Boeing 727 (80 passengers). Large investment plans for new aircraft are envisaged for Polynesian Airlines, and Fiji Airways. At the same time, both American Airlines and Pan American will fly Jumbo jets into Pago Pago, American Samoa.

275. Presently tourist visas are issued for 3 days only by the Government. Since the length of stay of an average tourist is more than 3 days, it follows that the government should extend the tourist's visa permit to at least a minimum of 7 days.

8.4 Housing and Construction

Housing:

276. Due to the land tenure system, inadequate credit facilities and lack of sufficient entrepreneurs, housing construction has not developed in line with the growing urban population's needs and the increased desire for modern housing.

277. A reorientation of the Bank of Western Samoa's lending policy, introduction of mortgage financing, use of land as loan collateral, and the training and launching of private house constructors are all necessary steps for appropriate development of the housing sector.

278. The government will on a pilot scheme basis support private house construction by developing 50 lots of one half acre each in 1971 for lease for private house construction and development in the Apia area. If this scheme proves successful, the project will be continued by 50 lots yearly 1972-75. Since a total of 1100 closed European houses were recorded in 1966, many of which were built before 1914, this project will give a substantial boost to the housing sector as a whole, apart from purely private building activities.

279. There is increasing need to plan for development and design of a number of house types, suitably designed for the Samoan climate and architectural tradition and environment, utilizing local raw materials, for wage earners and others who are in growing need for houses. This will prevent house construction from developing in a manner unfavourably affecting the environment and beauty of the country and of the urban areas in particular.

280. Housing development along these lines requires planning and coordination. This calls for establishment of a Planning Group consisting of Public Works Department, Lands & Survey Department, Economic Development Department and Treasury Department. After some experience is gained in the operation of an urban and rural housing programme, a Housing Authority on the lines of the Housing Authority in Fiji could be established with the following functions:

(i) Granting of long term first mortgage for low cost housing.
(ii) Development of low cost housing estates.

Construction

281. Building activities in the Second Plan period will expand considerably. Both the Public Sector and the Private Sector have vast requirements.

The building requirements of the government are handled by the Public Works Department. The capacity of this department to execute works has been assessed and provisions are being made to improve the staff position at the professional level. Concurrently the capacity of local constructors to undertake major and minor building contracts has to be strengthened.

282. The large volume of works envisaged to be undertaken in both the private and public sector, as noted in Section 3-3-2 will lead to a shortage of craftsmen in the building trades. The large expansion of the Vocational Training Programme of the Trades Training Institute will aim at educating a sufficient number of craftsmen needed in construction.

283. Apart from the activities in the monetised sector of the economy, building activities in the subsistence sector cannot be overlooked. As Samoans are polyvalent workers and do not specialise, only part of a man's working time is devoted to maintaining and erecting houses, churches, schools and hospital buildings. An indication of the total value of these investments might range up to an estimated $4 million during the Plan period.

284. In the public sector the construction of offices, workshops, farm units, schools, residences, etc., is planned.

285. Almost all government departments have building requirements. In many cases the implementation of a development project is completely dependent on the provision of proper buildings.

286. The new Legislative Assembly (Maota Fono) will be completed in 1971, improving the working conditions for Parliament, with a balance of $126,000 to be spent. The project is financed by a $240,000 loan from New Zealand. In Apia, a government office complex is envisaged in the later years of the Plan period providing office facilities for almost all government departments. Existing government buildings are often of a poor standard and leave little room for future expansion. The new complex will be constructed on the reclaimed area in the center of Apia. The planned size is 72,000 square feet and total costs are estimated at $700,000.

287. In Asau the opening of an international harbour and the expected growth of the township creates a need for offices to facilitate the expedition of government functions. It is envisaged to complete the office complex in stages, however, making room available first for those government activities which are indispensable for the functioning of Asau harbour as an international port of entry. The complex will finally consist of 23,000 square feet by 1974. No housing facilities are available to government personnel today. Consequently government has to provide residences. The total building activities in Asau are expected to command some $298,000.

288. The Customs Department will establish a new bond store and a wharf office in Apia in 1971, at costs of $44,500 and $22,500 respectively. For Police and Prisons a new police training centre in Apia and five rural police stations will be established. The total programme will command some $48,000.

289. The building programme for the Agriculture Department includes stores, propagation houses, residences, sheds, hot air driers, etc., up to $120,000 over the Plan period.

290. The Public Works Department will extend for its own use the Public Works office and the Mechanics Workshop. As there is uncertainty on the locational aspects of the road rehabilitation programme, decisions about buildings will be made within the annual planning framework.

291. The Education Department relies in rural areas almost completely on the efforts made by the people to construct school buildings. For urban schools and specialised facilities the Public Works Department is called upon to undertake construction. The Plan building programme contains two 4-classroom blocks, (Apia Infants and Leifiifi Intermediate) residences for thirteen district inspectors, hostel facilities for the Teacher Training College ($30,000), major extensions to Trades Training Institute ($49,000), a library for Samoa College etc., totalling about $200,000.

292. The Health Department enjoys the same position in respect to buildings in the rural area as the Education Department. The Plan ($236,000) contains, amongst others, improvements to the outpatient departments of Apia Hospital (1973), Tuasivi and Asau area, nurses quarters in Tuasivi, and improvements to the operating theatre in Apia (1974).

293. The building requirements of the Department of Post Office and Radio contain post offices and residences in Salelologa (1974), Asau (1971 or 1972) and Siumu or Mulivai (1972). The telephone projects require specialised buildings to protect the sensitive equipment from humidity and dust. By way of annual planning these demands will be met.

294. In respect to radio communications, buildings have to meet conditions similar to those for the telephone projects. Main building requirements are for the transmitter and receiver stations in 1972. The total building plan will command some $60,000. The Broadcasting Department requires improved studio facilities as well as transmitting facilities. In the proposed government complex in Apia, provisions are made for the former. The transmitter stations require buildings to be erected on sites on southern Upolu and in Savaii. Total costs might command some $25,000.

295. Building investment in the private sector has been indicated in Section 3-3-2. While government has no direct influence, its policies in regard to town planning, land tenure arrangements, foreign exchange appropriations, incentives, tourism, credit facilities, vocational training etc., will have important impact on investment in general and on building activities in particular. If these policies prove successful in assisting the private sector to realise its existing intensions, the main investment activity in the private sector will be buildings.

296. Some improvement in the commercial sector's shopping and storage facilities is to be expected. The manufacturing activity by small-scale industries will require work places, plants, residences and storage facilities. The hotel plans, as indicated in Section 8-3, consist mainly of high class hotels. This implies that the import content in the buildings will be high.

Town Planning.

297. The upgrading of the Apia Town Plan and the drafting of a town plan for Asau are prerequisites to all building activities. Planning of infrastructed facilities is also facilitated by the existence of such plans.

8–5 Transportation.

298. Objectives:

1. The broad objectives of the transport programmes are to:

* Develop a minimum system of efficient and reliable road, air and sea communication.
* Make cost reductions and improve capital efficiency.
* Stimulate diversified rural and agricultural development.
* Service Plan development schemes.
* Introduce a regional balance between the two islands, Upolu and Savaii.

Roads & Bridges.

299. Today there are 477 miles of roads in Western Samoa of various standards as outlined in the following table:

Table XVIII Roads in Western Samoa 1970

Miles	Upolu	Savaii	Total
Permanent Roads	73	--	73
Improved Roads	131	122	253
Plantation access Roads	120	20	140
Unimproved roads	--	11	11
Total Mileage	324	153	477

300. Apart from a few miles, all coastal areas in Western Samoa are linked by roads. There are 3 cross-island roads in Upolu and 1 inland road in Savaii. Since some 90% of the total population is living near the coast, it is estimated that 95% of the population is linked with roads.

301. For these reasons, emphasis must be laid upon road maintenance, improvements, upgrading and expansion for agricultural purposes.

302. Target for road maintenance and improvement in the Second Five Year Plan, excluding upgrading of the Airport road, is:

Table XIX Road Development

	1971	1972	1973	1974	1975	1971-1975
1. Expenditure (000$)						
i) Maintenance	180	200	215	230	275	1100
ii) Improvement, upgrading and expansion	200	140	240	190	240	1010
iii) Total Expenditure (i) & (ii)	380	340	455	420	515	2110
2. Total mileage						
i) Maintenance No. of miles	212	259	285	315	348	1419
ii) Conversion into sealed roads No. of miles	13	10	16	13	16	68

303. As regard rural roads including plantation access roads, considerable free labour will be contributed by the villages. The rural roads equipment pool, established by the Public Works Department, will facilitate this development.

304. In December 1969 the government and the Asian Development Bank agreed upon a loan to upgrade Faleolo Airport and the Apia-Mulifanua road. This road connects villages in the most densely populated areas of the country with about 60,000 inhabitants. The 24 miles road is designed for an average speed of around 35 miles per hour. The total cost of the project, including the airport upgrading, is $2.2million of which $400,000 will be spent in 1970, $900,000 in 1971, $700,000 in 1972 and $200,000 in 1973.

305. Under the agreement key personnel and key materials are made available. On the job training is envisaged for Samoans whereby knowledge will be imparted on handling and maintaining heavy equipment. Upon completion of the project, this equipment reverts to government.

306. There will be a programme of bridge construction. In 1971 the Puleia and the Falevao bridges will be completed. The total bridge construction programme commands $187,000.

307. At present there are ample taxis in urban areas. The use of bus transport is on the increase and it would appear that a study of such transportation is needed, followed by legislation in order that the public may be given a better and more efficient service. Efficiency, regularity and services could be improved by route and licensing policies. Similarly a study of truck-transportation is needed followed by appropriate legislation.

308. A fleet of motor vessels caters for inter-island passenger and cargo traffic between Upolu, Savaii and American Samoa. The recent acquisition of a commercial vessel probably provides sufficient sea transport facilities to meet present demand. Further legislation to improve the sea-worthiness of the vessels is being pursued.

309. A preinvestment study recently made by a United Nations expert indicated the need for a modern vehicular ferry between Upolu and Savaii. The project, which is subject to some additional investigation, involves upgrading of wharves and channels at Mulifanua and Salelologa at an estimated cost of $160,000 in 1971 and 1972. The ferry would be of the roll on/roll offtype with a capacity of 200 passengers plus 20 cars. The cost of a suitable ferry is estimated to be $300,000. It is contemplated to establish a private ferry corporation with some government financial interest. This Ferry company can be largely financed by Samoan capital. The ferry operation will benefit the agricultural development of Savaii and to a large extent be a prerequisite for maintaining some degree of regional balance between Upolu and Savaii.

310. The existing wharf warehouses in Apia are overcrowded. Additional warehouse facilities of 20,000 square feet of storage should therefore be constructed in 1972-75, of which 10,000 square feet would be an open shelter suitable for the packing and storage of bananas.

311. A new tug boat was purchased in 1970 and construction of a small boat wharf is envisaged for 1971.

312. The channel in Asau harbour is anticipated to open in 1971.

Air Transport.

313. As regard international air traffic, Faleolo Airport is at present suitable for daylight and limited night operation of DC-3 type aircraft. Upgrading and expansion of Faleolo Airport which commenced in 1970 is scheduled for completion in 1972. The new airport will then be able to take twin engine, short haul jet aircraft of the BAC III or DC-9 type. It will be suitable fo rall weather 24 hours a day operation. The strip will be 500 feet wide by 5,500 feet long with over-runs of 900 feet at each end. It will have a center paved strip 150 feet wide by 5,500 feet long. The Asian Development Bank has agreed to loan the Western Samoa Government US$2.4million for this project which includes also the upgrading of the road from the Airport to Apia. Investment in a new aircraft is envisaged by Polynesian Airlines.

314. As regards domestic air transport, air strips have recently been established in Apia, Asau and Salelologa. Two domestic air carriers are presently operating; Air Samoa and Samoa Aviation. The government policy regarding air transportation should be formulated after a study of the existing situation. This has become important in view of the proposed opening of new services to more remote villages.

8–6 Communications

Telecommunications and Postal Services.

315. Extensions to the network of post offices, replacement and improvement to the telecommunications equipment, were almost negligible in the period 1965-1969. Programme outlay for capital expenditures was only some $15,000. Services deteriorated in the Apia-Telephone system as well as in the radio system due to the use of outmoded transmitting and improper receiving sites and of gradually outdated equipment.

316. The objectives of the Development Plan for the Post Office and Radio Department can be stated as follows:

- in respect to Postal Services, the erection of new post offices in order to bring improved mail and money handling facilities to more people in the rural areas.
- in respect to telephone services, the renewal and expansion of the existing services to serve more consumers in the urban area, and the establishment of telephone facilities for the public in the new township of Asau and along the northwest coast of Upolu.

- in respect to Radio Services, the erection of new receiver and transmitter stations, the installation of new equipment to facilitate international telephone connections, telex operations, marine safety services, and internal radio connections for normal and emergency use.

317. The following criteria have been adopted in fixing priority:

i) Postal Services

— regional balance

— developments in the private and public sector such as new hotels, industries and extension of government operations which will require additional services.

ii) Telephone & Radio Services

— present and anticipated demand by the public

— present technical situation

— international requirements

— technical interrelationships between projects.

318. Keeping the above objectives in view, the Plan for improved postal services includes new post offices in Asau, Salelologa (1974), Siumu or Mulivai (1972), a post office room in Aleisa and a mail and inspection truck on Savaii. The Asau post office will be part of the new government complex.

319. In regard to telephone services, the Plan includes the establishment of automatic dialling facilities in Asau (1971), in Apia (1972) and between Faleolo and Apia (1973),. The initial capacity installed will be sufficient for about 5,000 connections. Telephone connections, internal and overseas, will be further improved by the measures mentioned under radio communications. The need for a new building to house the Apia telephone system has to be envisaged in annual planning.

Table XX Telephone Development

	1971	1972	1974	1973	1975	1971-197
Telephone Services Expenditure ($)	33400	203900	249420	7480	8720	503920
New connections (est.)	—	460	650	500	670	2280

320. The Plan provides for a complete renewal and expansion of the radio communications system. New main receiving and transmitter stations will be installed, radio connections improved with Pago Pago, Tokelau, Niue and inside the country, marine safety services upgraded, telex connections to Fiji and New Zealand established, and telephone communication with New Zealand and overseas improved.

321. The technical staff needed, to install and maintain the system will be engaged. A training programme has been embarked upon. Both the telephone and radio projects will be negotiated for foreign finance on soft loan terms up to about $915,000. This project is considered suitable for international tender.

Broadcasting

322. The Second Five Year Plan provides for improvement of broadcasting services in geographical coverage, time coverage, studio facilities, equipment, staffing and reliability. From the point of view of education, information, entertainment, agricultural information, and promotion of culture, etc., broadcasting plays a significant role in the lives of the people of Western Samoa.

323. At present broadcast coverage of the islands of Western Samoa is unsatifactory. Because of the volcanic and mountainous nature of the land as well as dense bush and forest, there is poor ground condensivity of radio signals. Good reception of 2AP during day time hours is limited to a distance of roughly 8 miles radius from Afiamalu and includes a small coastal area of Savaii from Salelologa to Sato'alepai. All other areas of Upolu from Falefa through to Satalo to the east and from Fasitoouta through to Salamumu towards the west, and all of Savaii suffer from fair to poor reception. It is planned to improve the broadcast coverage in 1973 to provide at least 80% of the population with a signal strength greater than 0.5mV/m.

324. It is further envisaged to expand the broadcasting hours as well as to establish a second broadcast channel during the Plan period.

325. A new broadcasting studio will be included in the new Government office complex in Apia in the later part of the Plan period. It will be fully equiped with modern control and recording facilities as well as other electronic aids necessary for originating and preparing broadcast material.

326. Maximum benefit from development of coverage and other technical facilities will not be fully utilised under local staff engaged in this work are sufficiently trained. It is therefore planned that a basic overseas team be engaged to work with and train local staff in the different aspects of broadcasting work. This include engineering, announcing, programme origination and advertising.

327. Broadcasting has normally failed during times of natural disaster. As it is vital for the safety of property and life during such occasions to have some means of communication with the public, provision has been made in 1972 ensure reliability of broadcasts during hurricane and storms, by means of an additional and larger capacity standby power plant as well as radio link equipment.

328. The time phasing of the Broadcast Development Programme is indicated in the following table. Part of the costs are suitable for foreign aid.

Table XXI Broadcasting Development
($)

	1971	1972	1973	1974	1975	1971-1975
Coverage	—	—	135000	—	—	135000
Equipment	—	—	—	60000	—	60000
Staffing	7000	21000	20000	20000	13000	81000
Reliability	—	20000	—	—	—	20000
Studio*	—	—	—	—	—	—
Total Expenditures	7000	41000	155000	80000	13000	296000

*Cost for Studio building is estimated at $50,000 in 1974-75 included in government office complex, Apia.

8–7 Energy, Water Supply and Sewerage

Energy

329. The electric power expansion programme includes renewal of lines and extension of the network. The new lines will reduce energy losses inside the distribution system. Furthermore new transformers will be installed. Some of the line extensions will specifically be designed to strengthen the structure of the line system so that line maintenance costs can be reduced. A reduction of generating and distributional losses by 4% will further reduce operational costs. The low voltage line along the west coast will be extended to reach more prospective consumers. At present 4% of the customers i.e. commercial firms, hotels and factories are consuming more than 50% of the total demanded power. It is envisaged that when the various indicated developments in the private sector materialise, electric power demand will increase correspondingly.

330. A United Nation survey on the prospects of an extensive Vaipu hydro-power scheme indicated favourable natural conditions. Further investigations regarding the feasibility of this scheme especially, in view of the opportunity to integrate it with an electricity intensive industry, have to be undertaken. The progress in this respect will determine the need for additional diesel capacity by 1974. There should be established a Public Utilities Authority to supervise power and water activities.

Water Supply

331. Water Supply in Samoa varies from pipe systems to coastal springs and roof-catchment. The pipe systems, although superior in respect of stability of supply, have many weaknesses such as dirty flood after heavy rainfall and rust particle due to poor condition of the pipes. The hydrological and geodetical conditions in Upolu are favourable to improvement by pipe systems. The situation in Savaii is different because the only way of improvement is by drilling boreholes. The Falelatai pipe system in south western Upolu is reckoned to be the only fully satisfactory one.

The Plan has the following objectives in regard to water supply:

* availability of water to as many people as possible.
* prevention of contamination of any kind.
* availability of water for agricultural and industrial use.

332. In the Plan there are three major projects, the West Coast Water Supply Scheme, the Rural Supply Schemes, and eventually the Apia Water Supply Scheme. The west coast supply scheme will provide for treated water distributed by a new pipe system, to a population of roughly 25,000 persons. The scheme will be carried out in major part with the financial assistance of UNICEF. The people of the villages will contribute significantly to the project by providing free labour to lay the pipes. The rural water supply programme includes Sala'ilua and Falealupo on Savaii, and Aleisa, Lotofaga, Aleipata and Lefaga on Upolu. The villages in Savaii will get new boreholes, those on Upolu extension of pipe systems and intakes from rivers at safer spots. Total population covered will be around 16,000. The scheme will be carried out by the government with village labour contribution.

Table XXII Rural Water Supply
($)

	1971	1972	1973	1974	1975	1971-1975
Aleisa	8745	9665	9665	9905	7625	45605
Lotofaga	6312	6312	6312	—	—	18936
Sala'ilua	2587	—	—	—	—	2587
Aleipata	3993	3993	—	—	—	7986
Lefaga	8750	7113	9030	9085	4923	38901
Falealupo	3500	—	—	—	—	3500
Total Expenditure	33887	27083	25007	18990	12548	117515

333. The Apia water supply scheme provides for complete upgrading of the existing unsatisfactory scheme. A new single source intake will be constructed, a treatment plant for filtration and chlorination installed .and a new pipeline distribution system will be laid. The system has a potential water supply of up to 3 million gallons per day. The present population of around 30,000 persons will be covered, and the scheme caters for future demand through 1990. The scheme will be presented to interested parties for foreign finance.

334. The water supply will be strengthened in regard to investigations to be undertaken in Savaii in order to expedite new water projects.

335. In order to ensure the expedition of the works programme, water engineers have to be engaged as permanent staff.

Sewerage

336. The present ways of sewage disposal in Apia are by septic tanks, leaching cesspools or soakage pits. In the elevated portions of the town this system works reasonably well. Along the water front and in the downtown area, however, the system is not satisfactory. The relative density of buildings and the high ground water table, make it inevitable that effluents from septic tanks reach tide waters directly or through the streams that traverse the town area. A plan for a sewerage system has therefore been designed.

337. The Plan's objective is to install a sewage treatment plant and to establish a downtown reticulation in order to:

- provide healthy living and working conditions to the people;
- enable safe disposal of industrial wastes;
- prevent unhealthy conditions, which might result from the intensified activity envisaged to take place in the downtown area.

338. The proposed system of sewage disposal caters for the needs of the downtown area, however, leaving room for later inclusion of the more elevated portions of Apia. The most urgent parts of the scheme are the hospital disposal and that of Pesega campus. It is envisaged to commence work in 1971. The project is suitable for foreign finance.

339. The engagement of water engineers for the water supply schemes will open the possibility to make use of their services in the establishment of the sewerage system.

8–8 Education

340. The government schools administered by the Department of Education and the Mission schools administered by the churches and missions take care of the country's educational needs. School enrolment for the age group 5-14 reached 74% of the total school age groups in 1970. 80% of the school going population attends government schools. In post primary education the Mission schools have more students than the government schools. Participation rates in the age group 15-19 are 26.9 Government has the responsibility for the schools with a vocational curriculum: Trades Training Institute, Teachers Training College, Salafai High School, Avele College, and South Pacific Regional College of Tropical Agriculture, Alafua. The present capacity of technical education is limited.

341. Government education expenditures over the period 1966-1970 increased steadily from $859,629 to an estimated $959,890. Out of this budget, and assisted by teachers provided under United States Peace Corps, New Zealand and Commonwealth Assistance the number of teachers at each level was increased. However, the teacher-pupil ratio deteriorated for primary education but improved for secondary education. The expenditures under the capital and development budget were almost negligible. This fact can be explained to a major extent by the building construction efforts undertaken by the population in the rural districts. Replacement of furniture, renovation of buildings (in so far as not under districts' responsibility) and renewal of equipment were inadequate.

342. The expenditures of the Missions on education are not known.

343. The long term objective of the educational plan must be to provide a comprehensive education system, under which primary education will become available to all and secondary as well as post secondary education to all who have adequate ability to make use of it. At the secondary and post secondary levels, the objective is to educate graduates with the particular qualifications needed to meet the manpower requirements of government, agriculture, industry, commerce, teaching and other pursuits.

344. In certain fields educational needs have to be met by training facilities available in other countries such as at university and at specialised vocational level.

Primary education.

345. The government schools cover at present more than 80% of the total primary level school going population. The task of increasing the school participation rate from 74% to about 90% will require additional teachers, building and teaching materials, but the latter will most likely be provided largely by the districts. The curriculum must be geared to future village life in which agriculture will remain the major economic activity.

Secondary education.

346. Government schools covered in 1969 34% of the total secondary level school going population. In respect of the above objectives agreement with the Missions should be reached on the following policies:

- acknowledgment by the missions of the desirability of a school system established in line with the above objectives.
- eventual expansion of student participation.
- alignment of policy on curriculum adjustments.
- centralization of specialised educational facilities.

347. The government will provide for curriculum evaluation and adjustments. At the same time the certificates awarded should be of uniform standard over the years.
348. The output of teachers must be in line with the requirements of primary education.

349. The output of Avele and Alafua Agricultural Colleges and Salafai High School will be geared to well identified needs. The Trades Training Institute is being investigated for reshaping into a technical college in which a curriculum will be developed to meet the urgent skilled manpower needs in the major technical trades such as carpenters, automechanics, boat builders, electricians, plumbers, metal workers and draughtsmen. This is considered to be a basic foundation for economic development.

350. In line with the objectives mentioned, the criteria for priority fixing are the following:

ensure that primary educational levels are adequate to maintain a stable supply of students for further education.
strengthen secondary level of basic subjects such as mathematics and science.
ensure that technical education is expanded, improved and geared to the needs of the country.

Table XXIII Education Development

	1971	1972	1973	1974	1975	1971-1975
1. Primary Education*						
i) Population (5-14 years)	48260	49350	50420	51500	52610	—
ii) Participation rate	77%	81%	84%	87%	90%	—
iii) Enrolment (projected)	37160	39965	42340	44805	47350	—
iv) Pupils (Government)	29728	32771	35565	38533	41668	—
v) Pupils (Missions)	7432	7194	6775	6272	5682	—
vi) Teacher/Pupil ratio assumed	34	34	34	34	34	—
vii) Teachers needed, additional**	54	123	184	249	318	—
viii) Teachers needed, (net additional)***	34	83	124	169	218	—
ix) Salaries (net additional) ($)	23800	63900	95500	130100	168000	481300
2. International/Junior High School****						
i) Teachers (needed, additional)	—	20	44	64	84	—
ii) Salaries (net additional) $	—	16800	37000	54000	70000	177800
3. Teachers Training College*****						
i) Teachers (needed, additional)	—	3	4	5	5	
ii) Salaries (net additional)$	—	4800	6800	9000	10000	30600
4. Trades Training Institute******						
i) Teachers (needed, additional)	1	8	8	8	8	
ii) Salaries (net additional) ($)	4200	37510	37510	37510	37510	154240

* Assuming government share increased, participation rate increased to 90% by 1975, constant teacher/pupil ratio.

** Number of additional teachers needed to keep pace with population growth and to increase participation rate compared with 1970 level.

*** Required number of teachers over 1970 level to teach additional pupils by increasing participation rate.

**** Assuming upgrading of intermediate schools to junior high schools by adding Form 3 and Form 4 classes.

***** Assumed number of teachers to educate sufficient number of primary school teachers.

****** Assumed number of teachers required to expand and to upgrade Trades Training Institute into a Technical College.

351. In the Education Plan there are a number of requirements to improve buildings and equipment. These buildings comprise the extension of the Trades Training Institute ($49,000), a multi-purpose center ($30,000), residences for District Inspectors ($45,000) and school buildings.

Table XXIV Education Buildings and Equipment
($)

	1971	1972	1973	1974	1975	1971-1975
Buildings	62000	56000	24600	50700	5000	198300
Equipment	30550	8000	2100	1000	1000	42650
Total Expenditure	92550	64000	26700	51700	6000	240950

8-9 Health

352. Planning of health services is an important element in any development programme, both because of the substantial resources involved and because the health of the population affects productivity and the quality of work. Adequate health services are important as well from the viewpoint of social welfare.
353. In Western Samoa private medical practice has not been developed. Consequently government is responsible for a healthy population.
354. The current situation is characterised by centralised high standard facilities in the Apia General Hospital and general medical services in the rural areas by the existence of hospitals in the remaining 14 health districts. Each hospital is staffed with a medical officer, nurses and some technical personnel.

355. In the first Five Year Programme there was provision for development schemes which were not carried out because of the Hurricane. However the expenditure on Health increased from $620,000 (1966) up to $744,000 (1969). In this period staff was expanded and the district hospital in Tuasivi was upgraded to a base hospital for Savaii.

356. The district population contributed considerably to the improvement of overall health services by the erection of new buildings as well as extensions to existing hospitals. As the people are very well aware of the importance of good health facilities, they undertook themselves to build the hospitals and then requested the Health Department for proper staffing. This very fact imposed difficulties in providing staff and these problems are most likely to continue. Apia General Hospital is in a poor state of maintenance and is working at overcapacity. Patients had to be refused because of lack of bed facilities.

357. The objectives of the health programme include the following:

- * maintaining and expanding a rural health system by which disease prevention is provided.
- * availability of curative health facilities centred in Apia and Tuasivi.
- * development of health services which are within the financial capacity of the country to support.
- * development of the health facilities pari passu with the growth pattern.

358. As regards the rapid population growth of 3.8% it is envisaged to undertake investigations on the possibilities of a family planning programme.

359. The rural and urban water supply schemes and urban sewerage systems will improve overall enviromental health conditions.

360. In line with these objectives projects are being formulated which will cater for urgent requirements.

361. Priorities are based on the criteria that:

- * regional balance will be achieved.
- * improvements in the future are facilitated.
- * no staff nor materials shortages should impede or hold up improvements in services.

362. Financing and phasing is shown in the following table:

Table XXV Health Development 1971-75

	1971	1972	1973	1974	1975	1971-75
Tuasivi Hospital and Rural Hospital*	41233	44210	65478	90235	91140	332296**
Apia Hospital*	12825	17670	30690	39485	48075	148745
Buildings Rural	24500	36000	28500	8000	4500	101500
Buildings Apia	—	—	70000	44500	20000	134500
Training Programme	—	12000	15000	13000	20000	60000
Surveys and Planning (Apia Hospital)	1000	1000	1500	2000	2000	7500
Investigations family Planning	2000	—	—	—	—	2000
Total Expenditures	81558	110880	211168	197220	185715	786541

*The figures include new staff's salaries and equipment

**Include $8,700 UNICEF contribution.

363. The following Table shows the key staff which is expected to become available after their training over the Second Five Year Plan period.

Table XXVI Additional Medical Personnel (Cumulative)

	1971	1972	1973	1974	1975	1971-75
Specialists	2	2	5	5	5	—
Medical Staff	3	5	7	11	13	—
Nurses	8	15	20	24	27	—
Medical Workers	12	18	21	27	31	—

364. The outlays will enable improvements in handling capacity on the district level and at the main hospitals in Apia and Tuasivi. The expansion in the training programme provides for the training of new staff to be at work by 1975 and during the Third Development Plan period.

PART III

DEVELOPMENT SCHEMES IN THE SECOND FIVE YEAR DEVELOPMENT PLAN

TABLE XXVII : PLAN EXPENDITURES: PRODUCTION SERVICES: AGRICULTURE ($)

Agriculture	1971				1972	1973	1974	1975	1971-1975
	Budget 1971	Supplementary Estimates 1971	Other Sources of finance	Total 1971					
1. Cooonut Planting	140690	-	-	140690	130000	134000	134000	134000	672690
2. Cocoa Planting	8724	17683	-	26407	11500	11500	11500	11500	72407
3. Banana Incentives Scheme	23675	-	187316x)	210991	94000	-	-	-	304991
4. Beef Cattle									
i) existing project	9510	34125	-	43635	15000	13000	13000	13000	97635
ii) ADB Project	-	-	56000xx)	56000	56000	56000	56000	56000	280000
iii) Counterpart contrib.	10800	-	-	10800	10800	10800	10800	10800	54000
5. Pig and Poultry	4187	8067	-	12254	12500	15000	16000	17500	73254
6. Food Processing Laboratory	4524	8632	-	13156	15000	15000	15000	15000	73156
7. Small Crop Development	8342	11080	-	19422	7000	7000	7000	7000	47422
8. Small Scale Ag. Machinery	-	34000	-	34000	8000	8000	8000	8000	66000
9. Agricultural Resettlement	-	-	-	-	-	116000	116000	118000	350000
10. Post Entry Quaranting Project	-	5145	-	5145	2500	2500	2500	2500	15145
11. Hydrological Service	-	1650	-	1650	1000	1000	1000	1000	5650
12. Agricultural Research									
Soil and Soil Management									
Animal Nutrition studies									
Crop Protection									
Veterinary	4521	12739	-	17260	20000	20000	20000	20000	97260
Economic									
Banana nutrition Leafspot									
Weed Control									
13. UNDP/FAO Special Ag. Fund Project Counterpart Contribution	68761	-	-	68761	70000	-	-	-	138761
14. Forestry									
i) Research & Regeneration	-	18775	-	18775	13000	16000	22000	28000	97775
ii) Herbarium	-	-	-	-	-	-	-	8447	8447
15. i) Fisheries Conglomerate Projects									
(Skip-Jack Tuna									
Fish marketing & Ice Supply									
Crayfish & Shrimp Supply									
Tech. upgrading Fisheries Division									
Turtle hatchery									
Fisheries Research)	-	51048	-	51048	30000	30000	30000	30000	171048
ii) Fishermen Training Sch.									
Counterpart contribution	-				-	24500	30000	30000	84500
Freedom From Hunger Campaign					-	242000	99400	99400	440800
16. Buildings	4250	44475	-	48725	38450	26500	2900	3850	120425
TOTAL EXPENDITURE	287984	247419	243316	778719	534750	748800	595100	613997	3271366

x) External Supplier Credit

xx) Asian Development Bank

Table XXVIII : Plan Expenditures: Infrastructure ( ) (Public Works Department & Post Office and Radio)

Infrastructure	1971				1972	1973	1974	1975	1971-1975
	Budget 1971	Supplementary Estimates 1971	Other Sources of Finance	Total					
A. Public Works									
1. Roads and Bridges			(900000)	(1148000)	(843700)	(495800)	(251000)	(255500)	(2994000)
i) Road Rehabilitation	18000	182000	-	200000	140000	240000	190000	240000	1010000
ii) Faleolo Airport and Road	-	-	900000x)	900000	700000	200000	-	-	1800000
iii) Bridges and Seawalls	30000	18000	-	48000	3700	55800	61000	15500	184000
2. Marine and Harbours			-	(184000)	(105000)	(65000)	(155000)	(155000)	(664000)
i) Vehicular Ferry and Wharf	5000	95000	-	100000	60000	-	-	-	160000
ii) Apia Wharf Warehouse	-	-	-	-	40000	60000	150000	150000	400000
iii) Tug Boat	58000	-	-	58000	5000	5000	5000	5000	78000
iv) Small boat wharf	2000	8000	-	10000	-	-	-	-	10000
v) Wharf equipment	-	16000	-	16000	-	-	-	-	16000
3. Aviation (See Faleolo Airport and Road)	-	-	-	-	-	-	-	-	-
4. Electric Power Scheme	36000	38000	-	74000	76000	70000	272000	75000	567000
5. Water Supply and Sewerage			(33018)	(180180)	(630064)	(614409)	(222195)	(121441)	(1768294)
i) Rural Water Supply	11500	22387	-	33887	27063	25007	18990	12548	117515
ii) West Coast Water Supply									
a) UNICEF	-	-	33018xx)	33018	27959	34227	33730	30418	159352
b) Government Contribution	5000	1275	-	6275	12527	4375	4875	2375	30427
iii) Apia Water Supply	-	52000	-	52000	406900	402800	153600	65100	1080000
iv) Apia Sewerage System	2000	53000	-	55000	156000	148000	11000	11000	381000
6. Buildings			(120000)	(293000)	(157800)	(172400)	(254000)	(407000)	(1284200)
i) Government Office Complex, Apia	-	-	-	-	-	100000	200000	400000	700000
ii) Government Office Complex, Asau	10000	18600	-	28600	157800	65400	47000	-	298800
iii) New Legislative Assembly (Maota Fono)	17100	-	120000xxx)	137100	-	-	-	-	137800
iv) Government Buildings (n.e.i.)	20000	54600	-	74600	-	-	-	-	74600
v) Miscellaneous	7000	45700	-	52700	-	7000	5000	7000	73700
7. General Services			-	(54500)	(46000)	(52000)	(47000)	(48000)	(247500)
i) Equipment	-	26500	-	26500	18000	24000	19000	20000	107500
ii) Engineering Investigations and Consultation	8000	-	-	8000	8000	8000	8000	8000	40000
iii) Increase in staff and training	7220	12780	-	20000	20000	20000	20000	20000	100000
B. Postal Services & Radio	16360	108090	-	124450	489880	479995	158305	90320	1342950
TOTAL INFRASTRUCTURE	253180	751932	1053018	2058130	2348449	1949604	1359500	1152261	8867944

x) Asian Development Bank Loan ($700,000)

xx) UNICEF

xxx) Loan from New Zealand

Table XXIX : Plan Expenditures: Infrastructure (Post Office & Radio) ($)

Infrastructure	1971				1972	1973	1974	1975	1971-1975
	Budget 1971	Supplementary Estimates 1971	Other Sources of finance	Total					
A. Post Offices	(6135)	(7690)	-	(13825)	(26605)	(15625)	(29025)	(17200)	(102280)
1) Asau, Staff etc.	3100	1715	-	4815	5850	6195	6540	6660	30060
2) Salelologa, staff etc.	3035	1775	-	4810	4085	4300	5495	4645	23335
3) Mail & Maintenance Truck, Savaii	-	3100	-	3100	855	995	1140	1300	7390
4) Siumu/Mulivai, Staff etc.	-	-	-	-	4815	4135	4350	4595	17895
1a) Asau buildings refer to Office Complex, PWD.	-	-	-	-	-	-	-	-	-
2a) Salelologa, buildings	-	-	-	-	-	-	11500	-	11500
3a) Shelter for truck	-	500	-	500	-	-	-	-	500
4a) Siumu/Mulivai, buildings	-	-	-	-	11000	-	-	-	11000
5a) Aleisa P.O. room	-	600	-	600	-	-	-	-	600
B. Telephone		(3400)	-	(3400)	(203900)	(249420)	(7480)	(8720)	(502920)
1) Telephone, Asau	-	3400	-	3400	3900	4900	5275	5775	53250
2) **Faleolo-Apia**	-	-	-	-	-	244520	2205	2945	249670
3) Apia automatic exchange	-	-	-	-	200000	-	-	-	200000
C. Radio-Communications	(10225)	(67000)	-	(77225)	(259375)	(214950)	(121800)	(6400)	(737750)
1) Receiving Station Afiamalu	-	54000	-	54000	75000	-	-	-	129000
2) Transmitter Station Vaitele	-	13000	-	13000	72000	-	-	-	85000
3) Interim Teleprinter Apia-Wellington	-	-	-	-	10600	-	-	-	10600
4) Apia-Pago VHF	-	-	-	-	13300	-	-	-	13300
5) Communications Centre	-	-	-	-	4000	250	300	400	4950
6) MF-SSB Mobile Service	-	-	-	-	30000	-	-	-	30000
7) 500kHz Transmitter/Receiver	-	-	-	-	-	33500	-	-	33500
8) Apia-Wellington ISB	-	-	-	-	-	50000	-	-	50000
9) Standby HF ships	-	-	-	-	-	39000	-	-	39000
10) Suva Teleprinter	-	-	-	-	-	32000	-	-	32000
11) Telex Apia-Wellington	-	-	-	-	-	35200	-	-	35200
12) VHF-Fixed Mobile	-	-	-	-	-	-	46500	-	46500
13) Outstations & Tokelau	-	-	-	-	-	-	49000	-	49000
14) Small Ships Telephone	-	-	-	-	-	-	-	39000	39000
15) Staff to install and operate 1-14	10225	-	-	10225	24775	25000	25000	25000	110000
1a) Building Afiamalu	-	-	-	-	8000	-	-	-	8000
2a) Building Vaitele	-	-	-	-	15000	-	-	-	15000
3a) Communication Centre	-	-	-	-	6000	-	-	-	6000
4a) Building VHF Pago	-	-	-	-	700	-	-	-	700
12a) Building Fixed/Mobile	-	-	-	-	-	-	1000	-	1000
TOTAL EXPENDITURE	16360	108090	-	124450	489880	479995	158305	90320	1342950

Table XXX : Plan Expenditures: Social Services: Education and Health (*)

Social Services	1971				1972	1973	1974	1975	1971-1975
	Budget 1971	Supplementary Estimates 1971	Other Sources of finance	Total					
A. Education									
1. Staff Increase	(16050)	(11950)	-	(28000)	(123010)	(176810)	(230610)	(286010)	(844440)
a. Primary Schools	15000	8800	-	23800	63900	95500	130000	168000	481300
b. Intermediate, Junior High Schools	-	-	-	-	16800	37000	54000	70500	178300
c. Teachers Training College	-	-	-	-	4800	6800	9000	10000	30600
d. Trades Training Institute (Technical College)	1050	3150	-	4200	37510	37510	37510	37510	154240
2. Samoa College New Stove	-	2000	-	2000	-	-	-	-	2000
3. 4 Farm Units	1750	5250	-	7000	-7000	-	-	-	14000
4. Library									
a. Filing Cabinet	-	-	-	-	-	1000	-	-	1000
b. Stand for microfilm reader	-	-	-	-	-	100	-	-	100
5. District School Furniture	250	750	-	1000	1000	1000	1000	1000	5000
6. Salafai, Generator	-	10000	-	10000	-	-	-	-	10000
7. New Maths Text Books	-	10000	-	10000	-	-	-	-	10000
8. Desk Calculator	-	550	-	550	-	-	-	-	550
8a. Samoa College Library	-	-	-	-	-	-	9000	-	9000
9a. Apia Infants a. 4 class room building	11000	-	-	11000	-	-	-	-	11000
b. Ablution Block	-	-	- -	-	-	1200	-	-	1200
10a. Model School Ablution	-	-	-	-	-	1200	-	-	1200
11a. Multi Purpose Center	-	30000	-	30000	-	-	-	-	30000
12a. Apia Primary Ablution	-	-	-	-	-	1200	-	-	1200
13a. Teachers Training College									
a. Hostel facilities	-	-	-	-	-	-	30000	-	30000
b. Ablution facilities	-	-	-	-	-	-	1200	-	1200
c. Second Storey Domestic Science	-	-	-	-	-	-	-	5000	5000
14a. Leifiifi Intermediate a. 4 Classroom Block	-	-	-	-	-	12000	-	-	12000
15a. Library Garage for Mobile	-	-	-	-	-	2000	-	-	2000
16a. District Inspector Houses	-	7000	-	7000	21000	7000	10500	-	45500
17a. Technical College (Trades Training)	-	14000	-	14000	35000	-	-	-	49000
TOTAL EXPENDITURE	29050	101500	-	130550	187010	203510	282310	292010	1095390

Table XXXI Plan Expenditures: Social Services: Education and Health ($)

Social Services	1971								
	Budget 1971	Supplementary Estimates 1972	Other Sources of finance	Total	1972	1973	1974	1975	1971-1975
B. Health									
1. Tuasivi Hospital Staff, equipment etc.	8820	7100	-	15920	14745	24295	42950	35985	133895
2. Staua Hospital staff, equipment etc.	3258	650	-	3908	6485	11963	15885	19105	57346
3. Apia Hospital staff, equipment etc.	12005	820	-	12825	17670	30690	39485	48075	148745
4. Upolu District Hospitals staff, equipment etc.	10275	1400	1500x)	13175	13005	16085	17350	20665	80280
5. Savai'i District Hospitals staff, equipment etc.	4680	3550	-	8230	9975	13135	14050	15385	60775
6. Training Programme	-	-	-	-	12000	15000	13000	20000	60000
7. Investigations Apia Upgrading.	-	1000	-	1000	1000	1500	2000	2000	7500
8. Family Planning (investigation)	-	2000	-	2000	-	-	-	-	2000
1a. Tuasivi Hospital Buildings	3000	18000	-	21000	26000	20000	8000	4500	79500
2a. Sataua Hospital Buildings	-	3500	-	3500	10000	8500	-	-	22000
3a. Apia Hospital Buildings	-	-	-	-	-	70000	44500	20000	134500
TOTAL EXPENDITURE	42038	38020	1500	81558	110880	211168	197220	185715	786541
ADD EDUCATION	29050	101500	-	130550	187010	203510	282310	292010	1095390
TOTAL SOCIAL SERVICES	71088	139520	1500	212108	297890	414678	479530	477725	1881931

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STATISTICAL APPENDIX

SECOND FIVE YEAR DEVELOPMENT PLAN
1971-75

Statistical Appendix

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TABLE I...EXPORTS BY COMMODITY GROUPS 1963-69

($1000)

COMMODITY	1963	1964	1965	1966	1967	1968	1969	Annual Growth Rate (Compounded)
Copra	1743	1840	1678	1643	928	1880	1798	0.5%
Cocoa	1671	1445	909	1209	1462	1276	1808	1.3%
Bananas	1650	1582	1220	158	260	269	606	-8.4%
Miscellaneous agricultural commodities	57	94	216	133	296	242	227	25.8%
Miscellaneous non-agricultural commodities	-	21	37	16	73	130	163	50.6%
Re-Exports	76	63	107	136	120	41	28	-8.5%
TOTAL EXPORTS	5197	5045	4167	3295	3139	3838	4630	-1.7%
Copra, Cocoa and Bananas share of Total Export Value.	97.4%	96.4%	91.4%	91.3%	85.2%	89.3%	91.0%	

TABLE II...EXPORTS BY COUNTRIES 1963–69

($1,000)

Country of Destination	1963		1964		1965		1966		1967		1968		1969	
	$1000	%	$1000	%	$1000	%	$1000	%	$1000	%	$1000	%	$1000	%
New Zealand	2153.2	41.4%	2270.3	45.0%	1838.4	44.1%	815.2	24.7%	1442.4	46.0%	1261.3	32.9%	1438.8	31.1%
West Germany	891.6	17.2	1028.2	20.4	507.5	12.2	617.2	18.7	94.6	3.0	543.9	14.2	1161.1	25.1
Netherlands	2.2	0.0	169.2	3.4	651.3	15.6	865.0	26.3	190.8	6.1	404.6	10.5	914.5	19.7
Norway	-	-	-	-	-	-	44.7	1.4	-	-	465.8	12.1	244.7	5.3
American Samoa	77.8	1.5	99.6	2.0	205.7	4.9	120.9	3.7	252.9	8.0	232.8	6.1	198.7	4.3
United Kingdom	1319.0	25.4	805.6	16.0	606.0	14.6	382.2	20.9	657.0	11.6	544.5	14.2	194.3	4.2
Italy	4.2	0.1	-	-	5.0	0.1	-	-	-	-	-	-	141.3	3.1
France	-	-	-	-	-	-	-	-	-	-	-	-	138.8	3.0
U.S.A.	346.5	6.7	421.3	8.3	31.8	0.8	204.3	6.2	344.8	11.0	196.4	5.1	91.8	2.0
Panama Canal Zone	-	-	-	-	-	-	-	-	-	-	-	-	57.6	1.2
Australia	49.0	0.9	52.0	1.0	25.5	0.6	1.8	0.0	123.5	3.9	18.0	0.5	23.1	0.5
Fiji	2.1	0.0	0.6	0.0	0.5	0.0	4.1	0.1	2.2	0.1	5.0	0.1	6.5	0.1
Japan	202.4	3.9	26.3	0.5	135.6	3.3	58.0	1.8	0.1	0.0	4.0	0.1	2.9	0.1
Other	149.1	2.9	172.5	3.4	159.5	3.8	181.5	5.5	30.7	1.0	161.5	4.2	15.9	0.3
TOTAL EXPORTS	5197.1	100%	5045.6	100%	4166.8	100%	3294.9	100%	3139.0	100%	3837.8	100%	4630.0	100%
of which:														
1) Commonwealth	3527.1	67.9%	3132.1	62.1%	2472.6	59.3%	1204.6	36.6%	2227.5	71.0%	1831.9	47.7%	1674.5	36.2%
2) Common Market (E.E.C.)	898.0	17.3%	1197.4	23.7%	1163.7	27.9%	1488.1	45.2%	285.4	9.1%	948.5	24.7%	2355.7	50.9%

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TABLE III...EXPORT VOLUME OF COPRA, COCOA AND BANANAS

1950–69

Year	Copra-Tons	Cocoa-Tons	Bananas-Cases
1950	13,917	1,880	97,357
51	14,619	3,212	62,912
52	17,037	2,448	65,590
53	11,185	3,743	252,582
54	13,664	2,399	276,135
55	17,178	3,118	446,325
56	13,581	3,338	294,887
57	14,325	3,069	329,185
58	10,077	4,209	884,555
59	16,842	4,023	786,423
60	14,585	3,721	564,023
61	12,922	4,101	560,442
62	12,806	5,258	761,500
63	15,197	4,324	688,700
64	15,301	4,480	647,500
65	12,370	2,991	481,565
66	14,017	2,723	61,983
67	7,405	3,116	95,490
68	12,623	2,587	94,327
69	14,550	3,017	219,391

TABLE IV...EXPORTS: QUANTITY, PRICE AND VALUE INDEX 1961-69

1961 = 100

Year	Copra			Cocoa			Bananas		
	Quantity	Price	Value	Quantity	Price	Value	Quantity	Price	Value
1961	100	100	100	100	100	100	100	100	100
62	99	98	97	128	152	195	136	103	141
63	118	110	130	105	133	140	123	104	128
64	118	115	137	109	111	121	116	106	123
65	96	130	125	73	104	76	86	110	95
66	108	113	122	66	152	101	11	111	12
67	57	120	69	76	161	122	17	118	20
68	98	143	140	63	169	107	17	124	21
69	113	119	134	74	206	151	39	120	47

TABLE V...MISCELLANEOUS EXPORTS BY COMMODITIES 1963-69

($)

	1963	1964	1965	1966	1967	1968	1969
1. **Miscellaneous Agricultural Exports**							
Annatto						3460	17338
Breadfruit & Taro Chips					111	63	153
Canned Fruit					3987	21146	25504
Coffee	200		4192	10050	10890	8715	2626
Dessicated Coconut*					3354	1080	1277
Hardwood	1068	6232	998	1736	42	3963	980
Kava						4009	4151
Salted Hides	3990	4452	5180	5004	2886	3700	5190
Timber			1506	21150	550	2567	6209
Other (Dutiable)	49170	82656	201832	70038	273940	207126	181867
Other (Free)	2782	1162	4110	25082	4659	7013.	4891
2. **Miscellaneous Non-Agricultural Exports**							
Apparel					3300	4289	15719
Beverages					1856	1404	1094
Biscuits						31375	33945
Furniture		21432	35250	16236	196	120	
Handicrafts					61888	43214	36539
Prawns					71	24525	44124
Soap					2126	4086	6055
SUB TOTAL 1 & 2	57210	115934	253068	149296	369856	371855	387662
3. **Re-Export**	75800	63204	106812	135768	120017	40672	27878
TOTAL	133010	179138	359880	285064	489873	412527	415540
Miscellaneous Exports Share of Total Exports (excluding Re-Exports)	1.1%	2.3%	6.2%	4.7%	12.3%	9.8%	8.4%

*Includes Copra Meal.

TABLE VI...IMPORTS BY COMMODITY GROUPS 1963-69

($1,000)

S.I.T.C.* Classification	1963		1964		1965		1966		1967		1968		1969	
	$1000	%	$1000	%	$1000	%	$1000	%	$1000	%	$1000	%	$1000	%
0 Food and Live Animals	1943.6	32.3	2043.4	28.9	2027.3	30.7	2430.1	42.4	1830.5	32.5	1905.2	34.6	2070.9	28.1
1 Beverages & Tobacco	382.9	6.4	345.4	4.9	362.3	5.5	362.3	6.3	390.0	6.9	334.0	6.1	386.3	5.2
2 Crude Materials: Inedible except fuel	197.9	3.3	249.1	3.5	218.6	3.3	118.2	2.1	153.2	2.7	57 8	1.1	71.9	1.0
3 Mineral, Fuel, Lubricants and Related Materials	210.9	3.5	225.7	3.2	234.8	3.5	204.2	3.5	261.9	4.6	253.4	4.6	316.9	4.3
4 Animal and Vegetable Oils and Fats	14.4	0.2	23.8	0.3	8.9	0.1	75.0	1.3	7.5	0.2	18.3	0.3	29.2	0.4
5 Chemicals	404.2	6.7	371.9	5.3	372.4	5.6	363.6	6.3	381.0	6.8	378.4	6.9	460.7	6.2
6 Manufactured goods classified chiefly by materials	1567.3	26.1	1901.5	26.9	1804.0	27.9	1146.9	20.0	1314.3	23.3	1365.7	24.9	1922.3	26.1
7 Machinery and Transport Equipment	756.0	12.6	1220.4	17.2	885.6	13.4	581.7	10.1	730.9	13.0	650.9	11.8	1401.8	19.0
8 Miscellaneous Manufactured Articles	536.7	8.9	697.7	9.8	666.8	10.0	457.5	8.0	565.9	10.0	533.8	9.7	713.7	9.7
9 Commodities and Transactions Not Classified according to kind.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL IMPORTS	6013.9	100%	7078.9	100%	6580.7	100%	5739.5	100%	5635.2	100%	5497.5	100%	7373.7	100%

*Standard International Trade Classification.

TABLE VII... IMPORT BY COUNTRIES 1963–69

($1,000)

Country from which Imported	1963 $1000	 %	1964 $1000	 %	1965 $1000	 %	1966 $1000	 %	1967 $1000	 %	1968 $1000	 %	1969 $1000	 %
New Zealand	1848.7	30.7%	2017.4	28.5%	1930.3	29.3%	1724.0	30.1%	1506.8	26.7%	1365.8	24.8%	2088.0	28.3%
Australia	1162.0	19.3	1195.8	16.9	1217.1	18.5	1392.0	24.3	1321.7	23.4	1232.6	22.4	1457.5	19.8
Japan	353.1	5.9	602.7	8.5	608.8	9.3	402.4	7.0	500.1	8.9	545.5	9.9	824.1	11.2
U.K.	871.6	14.5	804.6	11.4	651.3	9.9	570.9	10.0	672.0	11.9	490.8	8.9	734.4	10.0
U.S.A.	556.7	9.2	1063.8	15.0	640.1	9.7	308.5	5.4	386.0	6.8	345.1	6.3	614.2	8.3
Fiji	266.0	4.4	279.9	4.0	241.0	3.7	213.1	3.7	219.1	3.9	271.8	4.9	322.7	4.4
Hong Kong	184.1	3.1	204.0	2.9	197.1	3.0	160.9	2.8	212.8	3.8	203.3	3.7	258.7	3.5
France	6.8	0.1	11.7	0.2	6.3	0.1	54.4	0.9	21.6	0.4	76.9	1.4	134.6	1.8
Canada	190.2	3.2	248.1	3.5	178.9	2.7	134.1	2.3	115.8	2.0	129.7	2.6	117.1	1.6
Saudi Arabia	-	-	-	-	91.6	1.4	20.9	0.4	-	-	78.5	1.4	108.2	1.5
West Germany	80.2	1.3	90.1	1.3	272.2	4.1	63.1	1.1	71.4	1.3	111.5	2.0	90.6	1.2
South Africa	93.4	1.6	142.5	2.0	231.9	3.5	147.1	2.6	223.7	4.0	167.3	3.0	85.4	1.2
Malaysia	0.3	0.0	1.3	0.0	3.9	0.1	6.0	0.1	4.4	0.1	5.2	0.1	81.9	1.1
Pakistan	0.8	0.0	1.4	0.0	4.8	0.1	4.6	0.1	14.7	0.3	39.5	0.7	74.6	1.0
India	88.2	1.5	84.4	1.2	77.9	1.2	65.7	1.1	54.0	1.0	49.7	0.9	54.4	0.7
China	2.6	0.0	5.3	0.1	7.7	0.1	12.7	0.2	18.2	0.3	34.3	0.6	47.0	0.6
Iran	0.0	0.0	3.8	0.1	0.6	0.0	100.8	1.8	44.6	0.8	21.5	0.4	42.6	0.6
Sweden	27.2	0.5	25.4	0.3	16.0	0.2	89.4	1.6	16.8	0.3	19.9	0.4	32.6	0.5
USSR	3.7	0.1	4.2	0.1	7.1	0.1	12.4	0.2	23.8	0.4	34.8	0.6	32.4	0.4
Netherlands	24.6	0.4	29.5	0.4	20.4	0.3	70.7	1.2	32.0	0.6	26.3	0.5	30.4	0.4
Other	253.7	4.2	263.0	3.7	175.7	2.7	175.8	3.1	175.7	3.1	247.5	4.5	142.3	1.9
TOTAL IMPORTS	6013.9	100%	7078.9	100%	6580.7	100%	5729.5	100%	5635.2	100%	5497.5	100%	7373.7	100%
of which: 1) Commonwealth	4721.0	78.5%	4925.8	69.6%	4532.3	68.9%	4334.1	75.6%	4153.0	73.6%	3856.1	70.1%	5236.9	71.0%
2) Common Market (E.E.C.)	136.0	2.3%	162.5	2.3%	317.4	4.8%	205.3	3.6%	157.8	2.8%	228.9	4.2%	275.3	3.7%

TABLE VIII. . IMPORTS OF SELECTED COMMODITIES 1963-69

Article No.*	Commodity		1963	1964	1965	1966	1967	1968	1969
18.	Fish	a) volume - cwt	28,688	31,259	35,159	25,561	34,597	33,806	30,801
		b) value $	270,518	278,990	312,362	240,630	315,464	329,605	329,836
19.	Flour	a) volume - cwt	64,001	64,407	71,784	105,832	49,733	76,741	85,575
		b) value $	249,544	271,664	269,982	437,040	209,278	337,729	401,321
28.	Meat	a) volume - cwt	38,411	33,495	30,304	29,653	28,293	27,593	30,119
		b) value $	517,752	542,248	586,504	686,374	514,928	321,649	402,009
31.	Rice	a) volume - cwt	16,695	21,143	18,066	44,216	9,293	23,434	21,905
		b) value $	117,656	133,746	107,648	293,866	65,233	178,020	163,409
36.	Sugar	a) volume - cwt	51,438	52,085	60,412	60,737	57,977	66,423	67,875
		b) value $	217,838	207,438	217,014	217,702	202,392	222,971	245,698
10.	Butter	a) volume - cwt	1,968	2,519	1,941	2,122	2,066	2,394	2,412
		b) value $	51,822	58,834	50,890	52,444	62,544	61,036	60,823
39.	Vegetables	a) volume - cwt	7,800	9,196	8,221	9,578	8,579	8,972	8,785
		b) value $	45,894	52,368	46,042	52,890	55,748	51,132	40,222
60.	Ale, beer, porter, cider & perry	a) volume - galls.	128,159	99,548	201,621	152,821	133,736	137,781	208,130
		b) value $	92,582	83,426	125,780	97,722	87,892	79,306	123,040
87.	Cotton piece goods	a) yards	880,864	1,009,929	1,089,854	951,836	1,032,805	1,431,367	1,443,569
		b) value $	142,416	190,806	190,786	162,466	186,273	243,187	271,804
37.	Soap	a) volume - cwt	13,089	11,829	12,669	11,113	5,839	4,496	3,279
		b) value $	138,488	123,352	130,158	113,446	64,684	51,896	46,138
54.	Tobacco	a) volume - lbs	155,516	139,760	107,089	120,672	95,108	91,836	95,338
		b) value $	213,284	170,802	136,114	149,192	165,464	134,469	127,698
110	Cement	a) volume - tons	6,747	4,508	5,016	8,852	3,571	3,886	3,426
		b) value $	41,390	56,040	64,610	47,998	48,195	50,427	48,691
148-(12)	Nails, tacks, spikes & staples	a) volume - cwt	3,515	3,353	3,149	1,958	1,695	1,676	2,937
		b) value $	33,394	36,020	31,842	19,806	18,340	18,677	35,722
164	Paint, colour, varnishes, polishes, waxes	a) volume-galls.	38,168	21,942	16,804	15,056	19,129	18,816	21,246
		b) value $	92,102	74,146	65,014	51,392	65,529	60,959	75,301
170-(1)(2)(3)(4)	Timber	a) volume - super ft.	2,311,111	2,760,026	2,206,439	1,577,702	1,493,125	1,275,936	1,702,539
		b) value	95,414	243,618	204,964	139,288	145,808	137,575	202,505
170-(3)(5)	Banana Shocks	b) value	330,370	429,622	375,250	43,828	48,014	44,399	126,443
154,155	Motor vehicles	a) number	249	363	144	98	162	177	347
		b) value	279,132	388,124	173,902	119,406	191,447	186,812	366,049

*According to Trade, Commerce and Shipping of Western Samoa, Customs Department.

TABLE IX. BALANCE OF PAYMENTS 1965-69
($1,000)

	1965			1966			1967			1968			1969		
Goods and Services	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1. Imports (c.d.v.) Commercial		5064.2			4531.4			4648.3			4662.8			5803.9	
Government		1051.4			710.8			909.3			757.3			1404.8	
Other		465.0			487.5			77.8			77.4			165.2	
Exports (f.o.b.) Produce	4060.0			3159.2			3019.1			3797.1			4602.4		
Re-Export	106.8			135.8			119.9			40.7			27.9		
Other	...			30.2			72.1			121.8			199.5		
Balance of Trade	4166.8	-6580.6	-2413.8	3325.2	-5729.7	-2404.5	3211.1	-5635.4	-2424.3	3959.6	-5497.5	-1537.9	4829.8	-7373.9	-2544.1
2. Freight and Insurance on International Shipment															
2.1 Freight	...	...		...	...		...	...		...	...		...	...	
2.2 Insurance	...	...		...	...		...	...		...	...		...	...	
3. Other Transportation															
3.1 Passenger Fares	...	32.9		...	165.7		...	1.6		...	...		1.1	1.3	-0.2
3.2 Time Charters	...	...		...	...		...	...		...	...		...	...	
3.3 Port Expenditures	...	...		...	...		...	...		...	...		...	...	
3.4 Other	...	...		...	...		...	...		...	...		...	...	
4. Travel	53.3	81.5		205.4	99.4		213.4	144.4		454.0	306.1		443.6	295.1	148.5
5. Investment Income	138.2	61.2		90.4	117.6		128.6	146.8		166.0	102.7	63.3	45.1	109.7	-64.6
6. Other Services															
6.1 Life Insurance	-	121.0		-	172.2		5.7	175.6		13.5	157.8		0.4	16.7	-16.3
6.2 Other Insurance (other than on Life and Insurance on International Shipment	...	...		...	...		...	...		...	...		32.1	13.5	+18.6
6.3 Other	1727.5	1394.1		1915.4	880.6		1083.4	626.3		521.7	403.4		285.3	405.9	-120.6
Transfer Payments															
7. Private															
7.1 To and from foreign governments	46.3	194.7		40.4	156.8		48.3	154.5		192.7	197.2		217.7	127.6	90.1
7.2 Other	1122.3	210.1		1285.8	177.1		1512.0	373.8		1366.7	283.3		1562.3	156.5	1405.8
8. Government															
8.1 Intergovernmental	248.9	-		72.3	-		266.1	-		480.6	52.7		157.2	-	157.2
8.2 Other	...	...		...	...		...	...		...	...		453.7	28.2	425.5
Balance of Invisibles	3336.5	-2095.5	1241.0	3609.7	-1769.4	1840.3	3257.9	-1623.0	1634.9	3195.2	-1503.2	1692.0	3198.5	-1154.5	2044.0
Balance of Current Account	7503.3	-8676.1	-1172.8	6934.9	-7499.1	-564.2	6469.0	-7258.4	-789.4	7154.8	-7000.7	154.1	8028.3	-8528.4	-500.1
Capital Account															
9. Private	...	106.6		...	...		...	1.1		62.8	0.8		1324.2	792.2	532.0 ✓
10. Government	156.4	765.7		224.8	367.9		280.3	103.3		332.2	-		412.2	154.6	257.6
11. Foreign Notes and Coins Repatriated	640.4	-		776.0	-		363.0	-		516.6	-		530.9	2.4	528.5
12. Net Borrowing or repayment to Western Samoa	-	332.3		-	159.6		-	373.5		-	769.1	-769.1	998.9	-	998.9
13. Net change in foreign reserves	1497.1	-		70.0	-		723.9	-	723.9	-	295.9	-295.9	-	1457.2	-1457.2
14. Errors and Omissions	83.5	-		20.9	-		-	99.9	99.9	0.1	-		-	359.7	
TOTALS	9880.7	-9880.7	0	8026.6	-8026.6	0	7836.2	-7836.2	0	8066.5	-8066.5	0	11294.5	-11294.5	0

TABLE XII...GOVERNMENT EXPENDITURES BY DEPARTMENT OR SECTION 1965–69

(3)

Payments	1965	1966	1967	1968	1969
1. Maintenance and Capital					
Agriculture	204,078	297,050	297,300	279,303	290,385
Customs	310,938	322,724	343,509	328,534	341,767
Education	807,014	838,218	876,400	848,132	861,677
Health	559,330	596,850	611,710	589,500	691,983
Police & Prisons	204,624	199,740	204,300	197,900	217,400
Post Office	120,892	128,690	154,690	155,553	160,475
Prime Minister's	159,760	231,432	212,337	184,105	214,329
Public works	977,784	943,306	904,178	786,953	1,003,160
Harbour Construction	37,200	61,990	64,950	142,372	219,995
Electric Power Scheme	341,600	205,116	165,716	157,803	169,756
Treasury	88,910	98,564	115,125	135,856	154,652
Treasury Stores	254,616	218,556	281,975	237,015	276,326
Other	395,722	403,322	455,799	417,764	461,561
Sub Total Maintenance and Capital	4,542,468	4,545,558	4,687,989	4,460,790	5,063,466
2. Statutory	243,390	368,548	346,530	254,587	324,969
3. Development	-	249,710	422,881	359,185	429,430
4. Unauthorised	37,684	63,626	91,839	107,991	51,601
TOTAL PAYMENTS	4,823,542	5,227,442	5,549,239	5,182,553	5,869,466

TABLE XI...GOVERNMENT EXPENDITURES: STATUTORY, MAINTENANCE, CAPITAL AND DEVELOPMENT 1966-69 ($)

Category of Expenditure	1966		1967		1968		1969		Annual Growth Rate(Compound)
	$	%	$	%	$	%	$	%	
Statutory	368,548	7.1%	345,530	6.2%	254,587	4.9%	324,969	5.9%	-3.8%
Maintenance expenditure*	4,442,256	85.0	4,533,913	81.6	4,350,047	84.0	4,754,058	81.0	2.3
Capital expenditure	166,928	3.2	255,915	4.6	218,734	4.2	361,010	6.2	29.4
Development expenditure	249,710	4.7	422,881	7.6	359,185	6.9	429,430	7.3	19.8
TOTAL EXPENDITURE	5,227,442	100%	5,559,239	100%	5,182,553	100%	5,869,467	100%	4.0%

*Includes unauthorised expenditure.

TABLE X...STATEMENT OF GOVERNMENT CURRENT REVENUE BY DEPARTMENT OR SECTION
1965-69 ($)

Receipts	1965	1966	1967	1968	1969
Customs	2,614,092	2,401,836	2,532,849	2,736,575	3,255,465
Inland Revenue	467,752	484,970	387,026	435,499	614,931
Marine	50,571	90,274	144,873	156,499	171,591
Post Office	115,584	161,580	201,556	269,020	350,995
Public Works	427,750	718,310	485,748	430,680	587,303
Electric Power Scheme	139,102	201,200	244,682	262,423	278,476
Treasury	68,044	53,916	140,199	59,737	121,212
Treasury Stores	256,424	271,594	248,838	243,321	258,216
Other Departmental	321,081	343,314	402,481	408,940	435,806
SUB TOTAL	4,460,400	4,726,994	4,788,252	5,002,694	6,073,995
Grants Received	180,038	318,314	173,653	304,614	229,239
TOTAL RECEIPTS	4,640,438	5,045,308	4,961,905	5,307,308	6,303,234

TABLE XIII. GOVERNMENT RESERVES - INVESTMENT AND CASH BALANCES AT 31 DECEMBER 1964-69
($)

		1964	1965	1966	1967*	1968	1969
Foreign Investments							
Post Office Savings Bank	N.Z. Securities	440,000	430,000	420,000	313,000	304,000	304,000
Insurance Reserve	"	120,300	120,300	120,300	96,240	96,240	96,240
Banana Account Reserve	"	154,380	154,380	120,380	80,304	44,304	44,304
Sinking Fund Reserve - Harbour Loan	"	-	-	-	20,000	40,000	64,000
Sinking Fund Reserve - National Loan	"	12,000	36,080	62,100	68,702	97,640	85,400
Treasury Fund	"	292,600	292,600	292,600	234,080	234,080	138,080
Treasury Fund - National Provident Fund	"	1,437,202	584,996	209,172	8,268	32,700	1,602
Others: U.K. Savings Bonds		278,000	-	-	-	-	-
Investments in Germany		-	134,718	-	-	-	-
Crown Agents - J.C.F.		-	-	52,000	-	15,400	156,000
Total Foreign Investment		2,734,482	1,753,074	1,276,552	820,594	864,364	889,626
Cash in Foreign Accounts							
Auckland Imprest		19,108	17,582	19,776	4,329	5,612	16,125
Wellington Imprest		44,840	20,944	124,234	10,715	43,869	61,094
San Francisco Imprest		-	-	-	-	-	-
Crown Agents - London		26,048	14,896	778	- 4,142	796	151
Crown Agents - Sydney		-	-	-	-	-	11,275
German Account		-	4,148	8,624	-	-	-
New York Account		702	338	-	-	-	-
Total Foreign Cash		90,698	57,908	153,412	19,186	50,277	88,645
Total Foreign Reserves		2,825,180	1,810,982	1,429,964	839,780	914,641	978,271
Domestic Investments							
Post Office Savings Bank	W.S. Securities	132,720	132,720	132,720	132,720	112,700	120,700
Banana Account Reserve	Fixed Deposits	160,000	-	-	-	-	-
Treasury Deposit at Bank	7 day call	-	-	-	-	-	450,000
Total Domestic Investments		292,720	132,720	132,720	132,720	112,700	570,700
Domestic Cash							
Bank of Western Samoa - Treasury Fund		189,896	233,912	169,080	39,285	195,410	74,710
Total Domestic Reserves		482,616	366,632	301,800	172,005	308,110	645,410
Total Reserves		3,307,796	2,177,614	1,731,764	1,011,785	1,222,751	1,623,681

*Losses incurred in 1967 devaluation of N.Z. and U.K. Currency:

Investments

Post Office Savings Bank -	84,000
Insurance Reserve -	24,000
Banana Account Reserve -	24,000
Sinking Fund Reserve - National Loan -	16,426
Treasury Fund - National Provident Fund -	1,996
Crown Agents -	4,000
Sub Total	154,422

Cash

Auckland Imprest -	1,362
Wellington Imprest -	5,034
Crown Agents - London -	176
Sub Total	6,572
Add Investment Losses	154,422
Total Losses	160,994

TABLE XIV...LOANS UNDERTAKEN BY THE GOVERNMENT OF WESTERN SAMOA 1964-70*

		Repayment Scheme		
year	loans undertaken	repayment of principal/ sinking fund	interest	total repayment
1964	2,100,000	11,849	13,982	25,831
1965	-	23,698	131,378	155,076
1966	120,000	23,698	132,962	156,660
1967	-	48,698	132,962	181,660
1968	265,000	46,986	116,490	163,476
1969	799,500	59,164	131,573	190,737
1970	2,089,500	70,026	151,552	221,578
1965-70	(3,274,000)	(284,119)	(810,899)	(1,095,018)
1971		166,363	174,696	341,059
1972		166,771	180,703	347,474
1973		167,209	180,690	347,899
1974		163,871	178,115	341,986
1975		222,501	125,815	348,316
(1971-75)		(886,715)	(840,019)	(1,726,734)
yearly 1976-80		110,627	103,151	213,778
1981-85		151,557	69,143	220,700
1986-90		97,858	18,883	116,741
1991-95		88,214	9,339	97,553
1996-99		94,308	3,211	97,519
1976-1999	-	(2,618,516)	(1,015,423)	(3,633,939)
Total 1964-1999		3,789,350	2,666,341	6,455,691

*per 1.7.1970

Note: The table includes around WS$2 million national loans as follows:

a) National Loan 1964 of $500,000
b) Copra Board Loan 1968 of $75,000
c) National Loan 1969 of $500,000 and
d) Copra Board Loan 1970 of $120,000
e) Total WS$1,195,000

In the repayment scheme some of the loans are not fully repaid since part hereof is supposed to be converted.

TABLE XV.....NUMBER OF VISITORS TO WESTERN SAMOA 1966-70

Area of Residence	1966	1967	1968	1969	Annual Growth Rate Compound	1970 Est.
U.S.A.	1351	2542	3486	5282	57.5%	
American Samoa	1857	1412	2590	4574	35.1	
New Zealand	1905	2053	1272	1670	-6.9	
Australia	777	563	455	575	-8.0	
Europe	-*	-*	607	1364	21.0	
Other areas	1400	1378	1264	1119		
TOTAL NON-CRUISE VISITORS	7290	7948	9674	14584	26.0%	
TOTAL CRUISE VISITORS	650	1918	2228	641	-0.5%	
GRAND TOTAL	7940	9866	11902	15225	24.4%	20000
AVERAGE LENGTH OF STAY IN DAYS	...	3.4	4.1	3.3		

*European visitors included under "Other areas" 1966-67.

TABLE XVI.,.ESTIMATED POPULATION, LABOUR FORCE AND EMPLOYMENT

	1956		1961		1966	
	No.	%	No.	%	No.	%
Village Agriculture	15,190	63.8%	17,416	63.2%	19,929	64.3%
Other Agriculture	2,090	8.8	1,732	6.3	2,133	6.8
Sub Total	17,280	72.6	19,148	69.5	22,062	71.1
Professions (Teachers, Clergymen, Nurses, etc.)	1,888	7.9	2,179	7.9	2,442	7.8
Government Administrative and Protective Services	922	3.8	874	3.2	1,945	6.2
Commerce	1,237	5.2	2,165	7.9	1,768	5.6
Manufacturing & Construction	1,378	5.8	1,716	6.2	1,364	4.3
Transport & Communication	645	2.7	753	2.7	842	2.6
Entertainment and Services	476	2.0	709	2.6	771	2.4
Sub Total	6,546	27.4%	8,396	30.5%	9,132	28.9%
Total Employment	23,826	100%	27,544	100%	31,194	100%
Total Population	97,327		(114,427)		131,377	
Employment Rate		24.5%		24.1%		23.6%
Age Group 15 and over	50,474		56,973		63,947	
Employment rate in age group 15 and over		47.2%		48.3%		48.8%